

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF AT&T	)	
COMMUNICATIONS OF THE SOUTH	)	CASE NO. 9889
CENTRAL STATES, INC.	)	

O R D E R

On October 9, 1987, the Attorney General of the Commonwealth of Kentucky ("AG") filed his requests for information in this case to AT&T Communications of the South Central States, Inc. ("AT&T"). On October 13, 1987, MCI Telecommunications Corporation ("MCI") filed its requests for information to AT&T. On October 27, 1987, AT&T filed its responses to these requests along with its objections to several of the request items, specifically Nos. 1, 4, 5 and 6 of the AG's requests and Nos. 4, 7, 8, 9, 10, 11, 13, 14 and 15 of MCI's requests.

As grounds for its objections, AT&T contends that the requests relate to the reasonableness of the rates previously approved by the Commission in its Order of June 1, 1987, and, as such, do not relate to the issue now before the Commission, which is to determine whether AT&T's rate flexibility proposal conflicts with the Findings and Orders from Administrative Case No. 273. AT&T also claims that the information requested is of a highly sensitive and proprietary nature and that it will provide such information only under the protection of a confidentiality agreement and pursuant to 807 KAR 5:001 Section 7.

On November 6, 1987, the AG filed a Motion to Compel AT&T to respond to data requests. On November 10, 1987, MCI filed its Motion to Compel AT&T to respond to data requests and for an extension of time to file testimony in this case. Both the AG and MCI contend that their requests deal with AT&T's flex rate proposal and, therefore, should be answered accordingly. In addition, MCI claims to need 30 days from the receipt of information in which to prepare and file testimony.

#### COMMENTARY

In consideration of the time constraints attendant to this case, the Commission is of the opinion that a prompt and timely ruling on these matters is required. For purposes of this Order, AT&T's objections will be treated as a Motion to Strike. In those instances noted below in which the Motion is denied, AT&T will be required to produce the requested information under the protection of an appropriate confidentiality agreement.

#### Objections to the AG

As regards the AG's requests, the Commission finds Request No. 1 to deal only with the presently approved rates and not with the issue of rate flexibility. For this request the Motion is granted.

For the AG's Request No. 4, the Commission finds that the information sought is applicable to the rate flexibility issue and the Motion is denied. For Request No. 5, the Commission finds the requested information to be applicable to rate flexibility;

however, the existence of such information is doubtful. Therefore, the Motion is denied and AT&T is directed to produce such information if it exists.

For the AG's Request No. 6, the Commission grants the Motion as regards the maximum allowable rates previously approved and denies the Motion to the extent the data relates to the flexible rates. However, the Commission notes that this request, as regards rate flexibility, should be satisfied by the response to Request No. 4.

#### Objections to MCI

The Commission finds the market share data included in Request No. 4 to relate to the larger issue of competition rather than the limited issue of rate flexibility. The Commission is aware of the various market shares and will give such information adequate consideration throughout this proceeding. The Motion is granted.

For Requests Nos. 7, 8, 9 and 10, which ask that MCI be provided all data previously filed with the Commission and the AG, the Motion is denied to the extent that the data relates solely to rate flexibility. The Motion is granted in all other respects.

For Request No. 11 the Commission finds the information to be applicable to the rate flexibility issue and should be provided. The Motion is denied.

For Requests Nos. 13, 14 and 15 the Commission finds the information relates solely to the presently approved rates and is irrelevant to the issue of rate flexibility. The Motion is granted.

### MCI's Extension of Time

The 10-month statutory period for this case expires on February 10, 1988. The minimal amount of time required after the hearing for preparation of an Order is 4 weeks. To accommodate MCI completely would place an undue burden on the Commission and its staff. Therefore, MCI will be allowed 2 weeks in which to prepare and file testimony, which was the amount of time originally allowed by the Commission in its Order of September 11, 1987.

### Procedural Schedule

Due to the circumstances discussed and addressed in this Order the procedural schedule for this case shall be modified as follows:

1. Responses from AT&T, as directed herein, are due by November 25, 1987.
2. Testimony by intervenors is due by December 9, 1987.
3. Data requests to intervenors are due by December 23, 1987. Responses are due by January 6, 1988.
4. A public hearing shall be held on January 13, 1987, at 9:00 a.m., Eastern Standard Time, in the Commission's offices in Frankfort, Kentucky.

### SUMMARY

The Commission, after due consideration and being advised, is of the opinion and finds that:

1. AT&T's Motion to Strike shall be granted in regards to AG Request No. 1 and MCI Requests Nos. 4, 13, 14 and 15.

2. AT&T's Motion to Strike shall be denied in regards to AG Requests No. 4 and 5 and MCI Request No. 11.

3. AT&T's Motion to Strike shall be denied in part for AG Request No. 6 and MCI Requests Nos. 7, 8, 9 and 10 to the extent those requests relate to whether AT&T's rate flexibility proposal conflicts with Administrative Case No. 273. The Motion is granted in part for those same requests to the extent that they deal with issues other than rate flexibility.

4. MCI shall be granted 2 weeks from receipt of information in which to file testimony.

5. The procedural schedule previously established for this case shall be modified as previously set out in this Order.

IT IS THEREFORE ORDERED that:

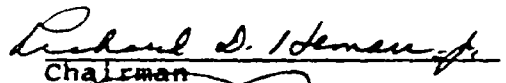
1. AT&T's Motion to Strike is granted in part and denied in part as set out in Findings 1 through 3.

2. As regards those requests for which AT&T's Motion was denied, the requested information shall be filed by November 25, 1987.

3. Due to the delays caused by these Motions, the hearing originally scheduled for December 15, 1987, be and it hereby is continued to January 13, 1988, at 9:00 a.m., Eastern Standard Time.

Done at Frankfort, Kentucky, this 13th day of November, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director