

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|-------------------------------------|---|----------------|
| PROPOSED RESTRUCTURING AND |) | |
| REPRICING OF SOUTH CENTRAL BELL |) | |
| TELEPHONE COMPANY'S PRIVATE LINE |) | CASE NO. 10477 |
| SERVICES TARIFF AND ACCESS SERVICES |) | |
| TARIFF |) | |

O R D E R

On October 16, 1989, the Commission entered an Order ruling on the merits of this case. On November 6, 1989, AT&T Communications of the South Central States, Inc. ("AT&T") filed a motion for rehearing on the decision to implement revenue reductions through the schedule of rate reductions adopted in Case No. 10105¹ rather than through carrier common line charges, as proposed in South Central Bell Telephone Company's ("South Central Bell") application. AT&T contends that:

1. Implementation of revenue reductions through the schedule adopted in Case No. 10105, rather than through carrier common line charges, is inappropriate because the parties were not given adequate opportunity to address any alternative to carrier common line charges.

2. Implementation of revenue reductions through the schedule adopted in Case No. 10105, rather than through carrier common line charges, is inappropriate because the schedule adopted

¹ Case No. 10105, Investigation of the Kentucky Intrastate Rates of South Central Bell Telephone Company.

in Case No. 10105 was designed to recognize economic efficiencies resulting from the incentive regulation plan and not designed to recognize revenue neutral tariff filings.

3. Implementation of revenue reductions through carrier common line charges will not affect the Joint Motion in Administrative Case No. 323,² as the Commission reasoned in its ruling.

4. Implementation of revenue reductions through the schedule adopted in Case No. 10105, rather than through carrier common line charges, will allow South Central Bell a revenue increase to access services without a cost of service study, as required in Case No. 8838.³

5. Implementation of revenue reductions through the schedule adopted in Case No. 10105, rather than through carrier common line charges will adversely affect AT&T's application in Case No. 89-168.⁴

The Commission, having examined the motion for rehearing and being sufficiently advised, finds that the motion should be granted in order to allow the parties to file testimony on

² Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, And WATS Jurisdictionality. LATA is an acronym for Local Access and Transport Area. WATS is an acronym for Wide Area Telecommunications Service.

³ Case No. 8838, An Investigation of Toll and Access Charge Pricing and Toll Settlement Agreements for Telephone Utilities Pursuant to Changes to be Effective January 1, 1984.


⁴ Case No. 89-168, Proposed Restructure and Repricing of AT&T's Channel Services Tariff.

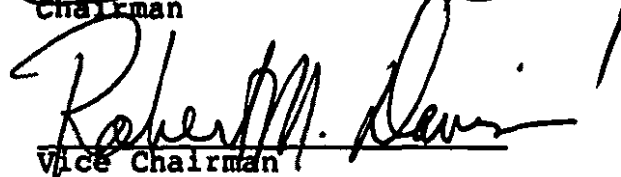
"additional evidence that could not with reasonable diligence have been offered on the former hearing," as specified by KRS 278.400. Any such testimony shall be due no later than 20 days after the date of this Order.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 28th day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director