

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AT&T COMMUNICATIONS) CASE NO.
TO IMPLEMENT FTS 2000 SERVICE TARIFF) 89-276

O R D E R

On January 24, 1989, AT&T Communications of the South Central States, Inc. ("AT&T") filed a letter notifying the Commission that it would be providing a special service arrangement for intrastate usage to the General Services Administration pursuant to the Federal Telecommunications System 2000 ("FTS 2000") contract. In that letter, AT&T stated that it had the capability to identify and hold separate the revenues and costs of FTS 2000, if the Commission deemed such treatment appropriate.

On March 10, 1989, AT&T met with Staff in an informal conference to discuss preliminary information. Staff requested AT&T to file certain information for Commission review.

By letter dated April 14, 1989, the Executive Director requested that AT&T file the intrastate portion of its service arrangements for Commission approval pursuant to 807 KAR 5:011.

On September 8, 1989, AT&T filed a response to the April 14, 1989 letter from the Executive Director containing the state-specific sections of AT&T's Federal Communications Commission ("FCC") Tariff Number 16. In the cover letter accompanying the response, AT&T further stated that:

At the informal conference held at the Commission on March 10, AT&T expressed its willingness to keep records identifying Kentucky specific revenues and expenses associated with FTS 2000. AT&T also committed that, in the event of future rate case activity, it would be willing to set aside those revenues and expenses.

AT&T is able to identify the revenues and expenses of FTS 2000 on a Kentucky specific basis and will keep such records on an ongoing basis with the implementation of its FTS 2000 service.

The Commission, having considered the September 8, 1989 filing by AT&T and having been otherwise sufficiently advised, HEREBY ORDERS that AT&T shall respond to the following information requests within 10 days of the date of this Order:

a. Describe the manner in which AT&T proposes to track the revenues and expenses associated with FTS 2000 on a Kentucky-specific basis.

b. If all expenses cannot be directly identified, explain the allocation procedures that will be used.

c. Describe AT&T's ability to identify or allocate investments related to FTS 2000, and explain the allocation procedures that will be used if all investments cannot be directly identified.

d. Does AT&T's commitment to set aside revenues and expenses related to FTS 2000 also include return on investment?

Done at Frankfort, Kentucky this 1st day of November, 1989.

ATTEST:

Executive Director

PUBLIC SERVICE COMMISSION



For the Commission