

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A REVIEW OF THE RATES AND CHARGES )  
AND INCENTIVE REGULATION PLAN OF ) CASE NO. 90-256  
SOUTH CENTRAL BELL TELEPHONE COMPANY )

O R D E R

IT IS ORDERED that South Central Bell Telephone Company ("South Central Bell") shall file the original and 12 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. All parties shall have 10 days to file comments concerning the material furnished herein.

The information requested is due no later than October 11, 1991. If the information cannot be provided by this date, a motion for an extension of time must be submitted stating the reason for the delay and the date by which the information can be furnished. Such motion will be considered by the Commission.

1. Provide a copy of the final printouts from which the long run and short run price elasticities are derived. A mathematical and narrative explanation of how the short run residential and business elasticities as well as the long run elasticities were derived should accompany the computer printouts.

2. Provide a mathematical and narrative explanation of the formula found in cells E12 and G12 which is used to obtain the final new total revenue percent changes.

3. Provide a mathematical and narrative explanation of the formula found in cell Q62, which is used to obtain new quantities given price changes.

4. Why do the sets of "residential" and "business" spreadsheets not sum up to the "totals" spreadsheets? How do the estimation or forecasting results change if the "totals" spreadsheets are used as opposed to using numbers from all three sets?

5. What are the source and the significance of the forecasted MTS revenues and messages as shown in cells F5 and F6, and how are these amounts incorporated in the overall scheme of the worksheet?

6. In a general overview, explain the dynamics of the worksheets, the source of inputs and their location, the relationship among messages, price per minutes, and revenues.

7. Cells P88, Q88, Y88 and Z88 are derived as relationships to row 85. Explain why R85 and R88 and AA85 and AA88 differ.

8. How does the test level of messages input to the overall worksheets.

9. Why do forecasted revenues in cell F5 differ from G85.

10. Assuming that imputation of access charges is required in the decision on rehearing in Administrative Case No. 323,<sup>1</sup> Phase I:

a. Identify access charge elements applicable to toll services and provide imputation estimates and related price-out recommendations based on the imputation standards outlined in the Commission's Order of May 6, 1991. Also, provide a narrative justification for the access charge elements imputed in each toll service scenario and a narrative explanation of all assumptions used.

b. Identify access charge elements applicable to toll services and provide imputation estimates and related price-out recommendations based on the imputation standards advocated by AT&T Communications of the South Central States, Inc. Also, provide a narrative justification for the access charge elements imputed in each toll service scenario and a narrative explanation of all assumptions used.

c. Identify access charge elements applicable to toll services and provide imputation estimates and related price-out recommendations based on the imputation standards advocated by MCI Telecommunications Corporation. Also, provide a narrative justification for the access charge elements imputed in each toll service scenario and a narrative explanation of all assumptions used.

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<sup>1</sup> 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.

d. Identify access charge elements applicable to toll services and provide imputation estimates and related price-out recommendations based on the imputation standards advocated by US Sprint Communications Company Limited Partnership. Also, provide a narrative justification for the access charge elements imputed in each toll service scenario and a narrative explanation of all assumptions used.

e. Identify access charge elements applicable to toll services and provide imputation estimates and related price-out recommendations based on the imputation standards advocated by GTE South. Also, provide a narrative justification for the access charge elements imputed in each toll service scenario and a narrative explanation of all assumptions used.

f. Identify access charge elements applicable to toll services and provide imputation estimates and related price-out recommendations based on the imputation standards advocated by South Central Bell. Also, provide a narrative justification for the access charge elements imputed in each toll service scenario and a narrative explanation of all assumptions used.

Done at Frankfort, Kentucky, this 30th day of September, 1991.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Lee M. Madcracker  
Executive Director