

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF GTE SOUTH)
INCORPORATED TO REDUCE ITS CHARGE) CASE NO. 92-335
FOR NON-TRAFFIC SENSITIVE REVENUE)
REQUIREMENT RECOVERY)

O R D E R

On July 29, 1992, GTE South Incorporated ("GTE South") made a tariff filing proposing to reduce its charge for non-traffic sensitive revenue requirement recovery in the amount of \$9,042,000.¹ The charge is a monthly rate per access line. GTE South proposes to reduce the charge from \$8.0551 to \$5.75 per access line per month. This rate change will affect South Central Bell Telephone Company ("South Central Bell") and other interexchange carriers.

Upon review of the tariff filing, the Commission finds that it raises certain issues that affected persons should be permitted to address. These issues include its consistency with the Joint

¹ Facilities for Intrastate Access, P.S.C. Ky. No. 6, Section 12, Third Revised Page 7.

Motion² adopted in Administrative Case No. 323, Phase I,³ impact on GTE South's earnings, and impact on South Central Bell's incentive regulation plan approved in Case No. 90-256, Phases I and II.⁴ Affected persons may have other concerns. The Commission, however, does not wish to deny GTE South the opportunity to voluntarily reduce rates or deny interexchange carriers and their customers the savings that will result from the tariff filing. Therefore, the Commission will allow the tariff filing to become effective as filed, effective August 28, 1992, but subject to any further Orders of the Commission in this proceeding.

² Joint Motion of a Coalition of Local Exchange Companies and Interexchange Carriers, filed on March 10, 1989 and supplemented on July 2, 1990.

³ Administrative Case No. 323, Phase I, 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. Relative to the Joint Motion, the question arises as to whether current interstate switched and special access rates should be mirrored in conjunction with the tariff filing. Questions also arise as to any effect on true-up requirements and annual non-traffic sensitive revenue requirement adjustments.

⁴ Case No. 90-256, A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company. Phase I of the case approved a revised incentive regulation plan. Phase II of the case approved rate design priorities. Specifically, the question arises as to whether savings realized as a result of this tariff filing should flow through the sharing mechanism contained in the incentive regulation plan. The question also arises as to whether any revisions to rate design priorities and reduction targets are necessary to adjust for savings realized as a result of this tariff filing.

The Commission will serve affected persons with a copy of this Order. Such persons include South Central Bell, all interexchange carriers and resellers purchasing access services, and the Attorney General. A further schedule of procedure will be issued as necessary to accommodate any discovery, informal conferences, or public hearings that may be required.

IT IS THEREFORE ORDERED that:

1. GTE South's tariff filing is approved as filed, effective August 28, 1992, but subject to any further Orders of the Commission in this proceeding.

2. The tariff filing shall be and it hereby is incorporated into the record of this proceeding.


3. Affected persons shall be served with a copy of this Order, including South Central Bell, all interexchange carriers and resellers purchasing access services, and the Attorney General.

4. Affected persons shall have 10 days from the date of this Order to file petitions for intervention.

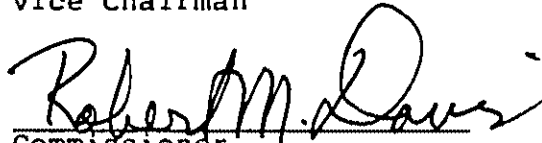
5. Affected persons shall have 30 days from the date of this Order to file written comments.

Done at Frankfort, Kentucky, this 24th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director