

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF GTE SOUTH INCORPORATED)
AND CONTEL OF KENTUCKY, INC., d/b/a)
GTE KENTUCKY FOR EXEMPTION OF ITS) CASE NO. 92-358
TELEMESSAGING SERVICES FROM REGULATION)

O R D E R

IT IS ORDERED that GTE South Incorporated and Contel of Kentucky, Inc., d/b/a GTE Kentucky ("GTE Kentucky") shall file the original and 12 copies of the following information with the Commission within 30 days from the date of this Order, 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. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If the information cannot

be provided by the stated date, GTE Kentucky should submit a motion for an extension of time stating the reason a delay is necessary and a date by which the information will be furnished. Such a motion will be considered by the Commission.

1. For the Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM service:

a. Explain whether or not Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM may be purchased as a "stand-alone" service, without the customer being required to purchase service features other than those required for a dial tone.

b. If so, separately describe each of the service features that are embodied in Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM and which are tariffed.

(1) Describe and justify the need for tying Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM to each tariffed service.

(2) Must these tariffed services be purchased in order for Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM to function or could a subscriber order Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM without those services?

(3) Can any competitor functionally provide these tariffed services individually in GTE Kentucky's territory?

(a) If so, list the providers and their rates, if known.

(b) If not, then must the competitor provide these services in a Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM competing bundled package service? If so, then explain why GTE Kentucky should be allowed to compete when not all of GTE Kentucky's costs are treated equally in the total Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM price?

c. If not, separately describe each of the service features which must be purchased first by the customer and which are tariffed.

2. Itemize the price that will be paid by the customer for each of the service features embodied in Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM for the residential and business markets. Include the profit mark-up or contribution as a separate item for each service feature.

3. For the residential and business markets:

a. Provide a listing of all common carriers offering central office based services in GTE Kentucky's territory which are functionally equivalent to Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM.

b. For those carriers offering a service which is functionally equivalent to Personal SecretarySM and ContraNet^R Voice Messaging and Message ManagerSM and who must purchase a service or services from GTE Kentucky in order to be able to offer their competing service, provide a list of all carriers, which services must be purchased and respective prices.

4. Define the market in which Personal SecretarySM and ContraNet^F Voice Messaging and Message ManagerSM operates (i.e. perfect competition, monopolistic competition, oligopoly, or some variant):

- a. for the residential market;
- b. for the business market;

5. For the residential and business markets in which Personal SecretarySM and ContraNet^F Voice Messaging and Message ManagerSM compete, are there functionally equivalent services which may be considered poor substitutes because of the service option capabilities inherent in Personal SecretarySM and ContraNet^F Voice Messaging and Message ManagerSM? If so, what are these services?

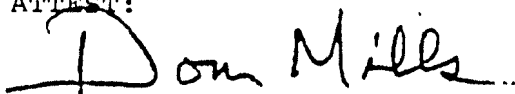
6. In oligopolistic markets it is possible for firms to collectively exercise market power in a variety of ways to the detriment of consumers. Explain why this would or would not happen in Kentucky in the business market and in the residential market.

7. For services that competitors must purchase from GTE Kentucky, are the prices of these services identical to the prices residential and business customers must pay? For example, is GTE Kentucky imputing the cost of these services? Explain.

Done at Frankfort, Kentucky, this 28th day of September, 1992.

By the Commission

ATTEST:



Executive Director