

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) CASE NO.
GTE KENTUCKY FOR EXEMPTION OF ITS) 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") shall file the original and 12 copies of the following information with the Commission no later than March 22, 1993, 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 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 motion will be considered by the Commission.

1. In reference to GTE's response to Item 3(b) of the Commission's September 28, 1992 Order, several tariffed network services are listed, which voice messaging service providers competing with GTE must purchase from GTE, including DID/DOD trunks, PBX trunks, message waiting indication-audible, forwarded call information intra-office, data link, queuing and user transfer. GTE's response also indicates that other tariffed services may be purchased by competing voice messaging service providers.

a. Provide a complete list of those "other tariffed services" which were not previously listed.

b. Provide a list of the carriers which purchase from GTE services necessary to provide a voice messaging service.

c. Provide a list of the prices of any service necessary to provide a voice messaging service.

2. For Personal SecretarySM, ContraNet[®] Voice Messaging and Message ManagerSM services provided to a residential customer, provide a price break-out of all component services, tariffed or otherwise comprising each GTE voice messaging service package which illustrates:

a. The price of each component service.

b. Whether each component service is tariffed.

c. The revenues generated by each component service.

d. Whether the revenues are placed "above" or "below" the line.

3. For Personal SecretarySM, CentraNet[®] Voice Messaging and Message ManagerSM services provided to a business customer, provide a price break-out of all component services, tariffed or otherwise, comprising each GTE voice messaging service package which illustrates:

- a. The price of each component service.
- b. Whether each component service is tariffed.
- c. The revenues generated by each component service.
- d. Whether the revenues are recorded "above" or "below" the line.

4. For voice messaging service network services provided to a competing voice messaging service provider customer, provide a price break-out of all component services, tariffed or otherwise, comprising each GTE voice messaging service package which illustrates:

- a. The price of each component service.
- b. Whether each component service is tariffed.
- c. The revenues generated by each component service.
- d. Whether the revenues are recorded "above" or "below" the line.

5. For tariffed services, such as touchcalling, which are necessary for GTE to provide Personal SecretarySM, CentraNet[®] Voice Messaging and Message ManagerSM services, is there a difference in:

a. Residential customer prices if the services are purchased as stand alone services or if purchased as a part of a "bundled" voice messaging service package? Explain.

b. Business customer prices if the services are purchased as stand alone services or if the services are purchased as a part of a "bundled" voice messaging service package? Explain.

6. Are the tariffed prices for the services required for Personal SecretarySM, CentraNet[®] Voice Messaging and Message ManagerSM, such as call forwarding and touchtone, identical to the prices for those services when not being used in conjunction with the above-listed voice messaging services? Are there two different tariffed rates for these two services or is the scope of these services different for the two types of service?

7. In reference to GTE's response to Item 4(a) and (b) of the Commission's September 28, 1992 Order, provide data to support the statements concerning the type of competition GTE faces for its voice messaging services. The data should indicate, as set forth in KRS 278.512(3), the following criteria:

a. the extent to which competing telecommunications services are available from competitive providers in the relevant market;

b. the existing ability and willingness of competitive providers to make functionally equivalent or substitute services readily available; and

c. the number and size of competitive providers of services.

8. In reference to KRS 278.514(3)(d), indicate the overall impact of the proposed regulatory change on the continued availability of existing services at just and reasonable rates. Provide quantitative data if available.

9. In reference to KRS 278.514(3)(e), identify adequate safeguards that exist to assure that rates for regulated services do not subsidize exempted services.

10. Under the FCC cost allocation rules, services considered "nonregulated" and their attendant investment and expenses are removed from the regulated accounts of the company before jurisdictional separations are performed. Given this procedure, is there any way that these nonregulated investments and expenses could be brought back into the jurisdictional separations process should this Commission choose to regulate enhanced services at the state level? Explain your answer.

11. Can the expenses and investments associated with Personal Secretarysm, CentraNet^o Voice Messaging and Message Managersm services, be isolated from the expenses and investments of other non-regulated services after they are separated from expenses and investments subsequent to the application of Part 64 cost allocation rules? If yes, provide examples of the application of Part 64 to total company expenses and investments to illustrate the process. If not, explain why.

12. In reference to KRS 278.514(3)(f), indicate the impact of the proposed regulatory change upon efforts to promote universal availability of basic telecommunications services at affordable

rates and upon the need of telecommunications companies subject to the jurisdiction of the Commission to respond to competition.

13. In reference to KRS 278.514(3)(g), indicate how the exercise of Commission jurisdiction inhibits a regulated utility from competing with unregulated providers of functionally similar telecommunications services or products.

Done at Frankfort, Kentucky, this 1st day of March, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director