

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BELLSOUTH )  
TELECOMMUNICATIONS, INC. D/B/A )  
SOUTH CENTRAL BELL TELEPHONE CO. ) CASE NO. 94-121  
TO MODIFY ITS METHOD OF REGULATION )

O R D E R

On August 4, 1995, the Attorney General, by and through his Public Service Litigation Branch ("Attorney General"), filed a motion for rehearing of several issues in the July 20, 1995 Order. On August 17, 1995, BellSouth Telecommunications Corporation d/b/a South Central Bell Telephone Company ("South Central Bell") responded. The Attorney General seeks rehearing of the touchtone charges, cost of capital, service categories, productivity factor, and pricing formula. However, the Attorney General has offered no additional evidence which could not with reasonable diligence have been offered at the former hearing as required by KRS 278.400. Further, contrary to the Attorney General's claim, the Order is based on solid evidence in the record. Rehearing on each of these issues is denied.

The Attorney General seeks clarification regarding the categorization of single-line, flat-rate residential service. The Order indicates that local residential rates will be capped at

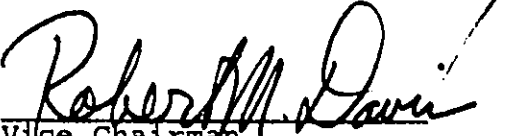
current levels for a minimum of three years and includes these rates in the non-competitive category.<sup>1</sup>

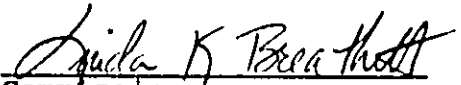
The Commission, having considered the Attorney General's motion for rehearing and South Central Bell's response thereto and having been otherwise sufficiently advised, HEREBY ORDERS that the motion be denied as no new evidence has been presented.

Done at Frankfort, Kentucky, this 24th day of August, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

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<sup>1</sup> Order at 21 and 54.