

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO UNIVERSAL ) ADMINISTRATIVE  
SERVICE AND FUNDING ISSUES ) CASE NO. 360

O R D E R

On September 26, 1996, in Administrative Case No. 355,<sup>1</sup> the Commission discussed at length its preliminary findings regarding universal service issues. The Commission stated its intent to conduct workshops to determine the best methods of handling the details of implementing the Universal Service Fund in Kentucky. The workshops were to address issues such as (1) defining "rural" and "urban" customers and determining the level of support necessary for each group, (2) determining appropriate parameters for local service territories, (3) monitoring the effectiveness of low income assistance programs, and (4) determining the method of fund administration.

However, since the time the Commission entered its Order, the telecommunications landscape has changed. Arbitration and negotiation have produced interconnection agreements which open the way for selective service through fiber rings and other means to be available to large business customers, but not to low-volume customers. Such a result conflicts with the Commission's initial determination in its September 26, 1996 Order that competing services should be available to all customers within a given area. Moreover, the Federal Communications Commission ("FCC") will

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<sup>1</sup> Administrative Case No. 355, An Inquiry Into Local Competition, Universal Service, and the Non-Traffic Sensitive Access Rate.

shortly enter orders regarding universal service and access charge restructuring which are expected to have great impact upon this Commission's review. Accordingly, the troubling specter of cherry-picking, as well as the ramifications of relevant FCC orders, will be central issues in this proceeding, and should be examined in a more formal manner than that originally planned.

Therefore, the Commission finds that the following procedural schedule, which includes a public hearing, is reasonable and will be more expeditious than the workshop process initially planned.

Data Requests of the Commission and All Parties to All Parties due	.....	April 25, 1997
Responses to Data Requests due	.....	May 30, 1997
Second Data Requests of the Commission and All Parties to All Parties due	.....	June 13, 1997
Responses to the Second Data Requests due	.....	June 27, 1997
Prefiled Testimony of All Witnesses due	.....	July 11, 1997
Reply Prefiled Testimony, if any, due	.....	July 21, 1997

The Commission having been sufficiently advised, HEREBY ORDERS that:

1. The procedural schedule set forth herein is substituted for the originally scheduled workshops.

2. A formal hearing in this matter is scheduled to begin 10:00 a.m., Eastern Daylight Time, on July 28, 1997 in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 11th day of April, 1997.

PUBLIC SERVICE COMMISSION

Spidee Breathitt  
For the Commission

ATTEST:

Don Mills

Executive Director