

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF BELL ATLANTIC)	
CORPORATION AND GTE CORPORATION FOR)	CASE NO. 99-296
ORDER AUTHORIZING TRANSFER OF UTILITY)	
CONTROL)	

O R D E R

IT IS ORDERED that GTE Corporation ("GTE") and Bell Atlantic Corporation ("Bell Atlantic") (hereinafter "Joint Applicants"), shall file the original and 10 copies of the following information with the Commission no later than August 9, 1999, with a copy to all parties of record. Each copy of the data requested shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet shall 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 related to the information provided. Careful attention should be given to copied materials to ensure that they are 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.

1. William Griswold states in his testimony that GTE estimates it will cost \$23.7 million to expand CLASS services to 100 percent of GTE's territory. What

percentage of this investment will be recovered by revenues from these new services?
Explain in percentages of investment per year.

2. Refer to page 2 of the Joint Application. Provide a detailed schedule for the implementation of extending advanced CLASS services to 100 percent of GTE's exchanges in Kentucky.

3. Refer to page 2 of the Joint Application. Addressing the proposed \$222 million investment over 3 years, provide the following:

a. A detailed schedule of what equipment or services will receive this investment.

b. A detailed schedule of where this money will be invested.

c. A detailed schedule of when this investment will take place.

d. Would GTE invest this money in the Kentucky service area regardless of the applicants proposed merger? Explain.

4. Provide the following figures:

a. The percentage of access lines GTE-Kentucky's customers represent relative to the total number of access lines of the merged entities.

b. The percentage of revenue GTE-Kentucky's customers represent relative to the total revenue of the merged entities.

5. Refer to page 12 of Mr. Griswold's July 9, 1999 testimony.

a. Provide a detailed schedule of the products and services available through GTE's CLASS services.

b. Provide a schedule of currently planned levels of CLASS services expansion in Kentucky.

c. Would GTE upgrade these switches as described on page 12 of Mr. Griswold's testimony without the proposed merger?

6. Refer to page 23 of Mr. Griswold's July 9, 1999 testimony. Explain why GTE needs to wait until the merger between the parent companies is consummated before implementing certain identifiable "best practices."

7. Refer to page 11 of John Blanchard's July 9, 1999 testimony. Explain in detail how funding will be appropriated for capital expenditures in Kentucky prior to the realization of merger savings.

8. Refer to page 4 of Dr. William E. Taylor's July 9, 1999 testimony. Dr. Taylor states that "in the short run, the larger competitor that the merger would create should be able to obtain better prices for the transport services it resells from its facilities-based competitors." Will the merged company realize these advantages? Explain.

9. Refer to page 9 of the July 9, 1999, testimony of Paul R. Shuell. Describe the specific role for each of the eight Merged Integration Teams formed by the Joint Applicants.

10. Refer to Stephen L. Shores' testimony of July 9, 1999. According to Schedule B.5, the total net merger savings attributable to GTE in Kentucky is \$6.4 million after 3 years. Explain why this figure does not correspond with the \$7.2 million figure given by the companies in their Joint Application.

11. Refer to the July 9, 1999 testimony of Michael W. Reed. At page 10, line 3, reference is made to tariff filings to be made in 2000 or 2001. Fully explain. (See also the Joint Application page 2.)


Done at Frankfort, Kentucky, this 26th day of July, 1999.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:



Executive Director