

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX)
REFORM ACT OF 1986 ON THE RATES)
OF COMMONWEALTH TELECOMMUNICATIONS,) CASE NO. 9790
INC.)

O R D E R

On March 23, 1987, Commonwealth Telecommunications, Inc., ("Comtel") filed its response to the Commission's Orders for information in this matter. Therein, Comtel estimated its taxable income and tax expense for calendar year 1986 based on current tax law and based on the Tax Reform Act of 1986 ("TRA"). Thereafter, on May 1, 1987, Comtel filed its annual report for calendar year 1986. The financial data included in the report substantiated Comtel's earlier estimates, reflecting a change in its tax expense of such an immaterial amount that no change in rates is warranted.

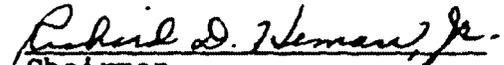
Based on Comtel's response and the information included in its annual report, the Commission is of the opinion and finds that:

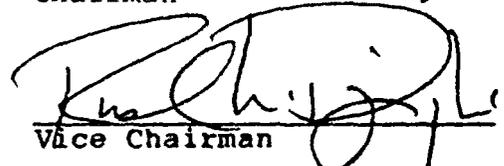
1. No adjustment in rates for the impact of the TRA is necessary for Comtel.
2. Comtel should be relieved of any further response in this matter.
3. This case should be dismissed without prejudice.

IT IS THEREFORE ORDERED that this case be and is hereby dismissed without prejudice.

Done at Frankfort, Kentucky, this 15th day of May, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director