

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN INVESTIGATION OF TOLL AND)
ACCESS CHARGE PRICING AND TOLL)
SETTLEMENT AGREEMENTS FOR) CASE NO. 8838
TELEPHONE UTILITIES PURSUANT)
TO CHANGES TO BE EFFECTIVE)
JANUARY 1, 1984)

O R D E R

Procedural Background

On December 29, 1983, the Commission issued its Interim Order approving certain tariffs concerning access charge pricing for Cincinnati Bell, General Telephone ("GTE"), and South Central Bell ("SCB"). In addition, the Commission required all other Local Exchange Companies ("LECs") to concur in SCB's interim intrastate access service tariff and suspended all other proposed tariffs, including the proposed National Exchange Carrier Association ("NECA") tariff. Later, on January 10, 1984, the Independent Telephone Group filed a motion for reconsideration to allow its members and any others to use the NECA tariff approved by the Federal Communications Commission ("FCC") concerning billing and collections rather than SCB's interim intrastate access service tariff. On January 19, 1984, the Commission issued an Order amending its December 29, 1983, Interim Order allowing the Independent Telephone Group and any other telephone company to use the NECA billing and collection tariff rather than SCB's approved interim tariff.

On November 20, 1984, the Commission issued an Order allowing all LECs except Cincinnati Bell, GTE, and SCB to adopt the NECA Tariff for intrastate use, and ordered those planning to use the NECA tariff to file a version of the tariff that incorporated the provisions of the Order within 30 days from the date of the Order.

In its petition for an extension of time for filing the tariffs as required in the Commission's Order of November 20, 1984, the Independent Telephone Group noted that although the Commission allowed LECs to adopt the NECA tariff for intrastate interLATA use, it failed to specify the effective date of the latest version of the NECA tariff it would allow the LECs to follow. In its Order dated February 15, 1985, the Commission specified that LECs using the NECA Access Service Tariff adopt the rates, rules and regulations for intrastate interLATA use as effective with the FCC on May 25, 1984, except as for certain modifications required to conform with the Commission's Order of November 20, 1984, and as certain modifications may be required in subsequent Orders of the Commission.

On February 27, 1985, Duo County Telephone Cooperative filed with the Commission its Access Service Tariff, PSC KY No. 1A. In an Order dated May 31, 1985, the Commission approved Duo County's Access Service Tariff effective June 1, 1985, except Section 4, End User Access Service, and Section 8, Billing and Collection Services. The Commission also ordered that Duo County and all other LECs concurring with Duo County's Access Service Tariff would continue to concur with the NECA's Billing and

Collection Services Tariff on an interim basis as approved by the Commission on January 19, 1984, pending an Order on billing and collection matters.

On November 26, 1985, Duo County filed with the Commission for approval a copy of a billing agreement between it and AT&T Communications for the period January 1, 1986, thru December 31, 1988. The rates in the agreement were the NECA rates as approved by the FCC effective June 1985, for interstate billing and collection services. Between November 26 and December 31, 1985, several other members of the Independent Group filed identical agreements with the Commission for approval. On December 27, 1985, the Commission issued a letter to Duo County and to the others who filed similar agreements which rejected the agreement with AT&T for several reasons including the fact that the NECA rates proposed in the agreements had not been approved by this Commission.

On January 3, 1986, Duo County responded to the Commission's letter of December 27, 1985, by supplying certain information deficient in the November 26, 1985, filing.

Discussion

In its January 3, 1986, letter to the Commission Duo County responded to each of the five objections from the Commission's December 27, 1985, letter, and referenced the appropriate attachments filed with its letter. In this response Duo County requested interim approval of the interstate NECA Access Service Tariff for billing and collection service for intrastate interLATA use. The Commission is of the opinion that Duo County's request

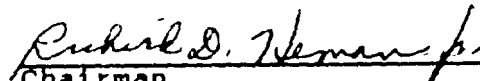
to have the June 1985 NECA tariff approved on an interim basis pending a final Order concerning billing and collections is appropriate and therefore should be approved.

IT IS THEREFORE ORDERED that:

1. Duo County and any other LEC except Cincinnati Bell, GTE, and SCB using the NECA Access Services Tariff for billing and collections may concur with the NECA tariff effective June 1985, on an interim basis until such time as the Commission issues a final Order concerning billing and collections.

Done at Frankfort, Kentucky, this 10th day of February, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary