

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF INTERNATIONAL TELECHARGE, )  
INC., FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO OPERATE AS A ) CASE NO. 10002  
RESELLER OF TELECOMMUNICATION SERVICES )  
WITHIN THE STATE OF KENTUCKY )

INTERIM ORDER

A hearing in this matter was held on February 23, 24 and 26, 1988. In addition to testimony on the merits of its application for authority to provide service within Kentucky, International Telecharge, Inc., ("ITI") made an oral request at the hearing for interim authority pending a final determination of the application.<sup>1</sup>

On January 22, 1988, the Commission ordered that ITI cease and desist from providing telephone service within this state. The Order indicated that ITI's rates and conditions for service had not been found reasonable by the Commission. ITI has filed proposed tariff changes since the Order was issued. Such tariff changes involve the proposed rates of ITI, and will be considered by the Commission.

However, at the hearing several issues other than rates were called to the Commission's attention. For example, ITI's practice of using interstate services to route intrastate calls, while

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<sup>1</sup> T.R. Vol. 3, p. 167-169.

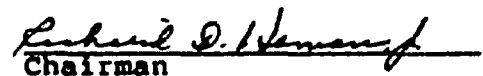
typical of the "Alternative Operator Service" industry, is nevertheless a matter of first impression for this Commission. Such a practice naturally leads to questions about the appropriate payment and jurisdictional allocation of access charges paid by the interstate carriers serving ITI. ITI's practice of completing intraLATA calls has been questioned by intervenors who participated in the hearing. Additionally, customer confusion and billing and collection issues must be resolved if ITI is to offer service within Kentucky. The fact that ITI's new proposed intrastate rates may be lower does not resolve these important issues. A final determination will require a thorough review of the entire record, when completed.

The Commission, therefore, FINDS that ITI should not offer service within Kentucky pending a final Order in this case.

IT IS THEREFORE ORDERED that the Cease and Desist Order issued January 22, 1988, is confirmed and shall remain in full force and effect.

Done at Frankfort, Kentucky, this 23rd day of March, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

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Executive Director

  
Commissioner