

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AT&T'S TARIFF FILING PROPOSING TO)
INTRODUCE AT&T PRO KENTUCKY AND)
REACH OUT KENTUCKY SERVICES AND) CASE NO. 10032
MAKE CERTAIN OPTIONAL CALLING PLANS)
OBSOLETE)

O R D E R

On September 9, 1987, AT&T Communications ("AT&T") filed tariffs with the Public Service Commission ("Commission") which proposed two new services and would obsolete certain optional calling plans.

The proposed new services are AT&T Pro Kentucky and Reach Out Kentucky. AT&T Pro Kentucky is an intrastate toll plan which provides a discount of 10 percent on all direct dial station-to-station calls for a fixed monthly charge. Messages subject to the evening and night/weekend rates would receive standard rate period discounts in addition to the plan discount.

Reach Out Kentucky is furnished for customer dialed, station-to-station intrastate AT&T long distance service calls in the state of Kentucky during the hours when evening and night/weekend discounts apply to AT&T Long Distance Service. For a fixed monthly rate, a customer may use up to one hour of night/weekend toll calling, consisting of up to 60 calls, during that rate period as shown in the AT&T filed tariff. Calling that

exceeds the initial hour or fraction thereof would be charged an additional hourly rate applicable for night/weekend service.

In addition, AT&T proposed to make obsolete optional calling plans that include one-way measured point-to-point calling and one-way measured extended community calling. The obsoleting of these plans would be followed by their withdrawal from the tariff in 6 months.

The proposed tariffs were suspended by the Commission on October 9, 1987, for a period of 5 months for further investigation.

On October 20, 1987, the Attorney General of the Commonwealth of Kentucky ("Attorney General"), by and through his Utility and Rate Intervention Division, filed for full intervention in this case and was granted that request.

On November 13, 1987, the Commission ordered that all information requests be due by December 2, 1987, and that AT&T should file their responses by December 19, 1987. Information requests were filed by the Attorney General and the Commission Staff and AT&T has responded to those requests. On February 3, 1988, the Commission issued another information request to AT&T. That information has been received.

On December 29, 1987, AT&T filed a Motion for confidential treatment of revenue data for certain measured calling services and percentage figures for the revenues those services provide relative to total costs. The Commission finds that the Motion should be granted pursuant to 807 KAR 5:001, Section 7 because the

information is not known outside AT&T, nor widely disseminated within AT&T, and is competitively significant.

After review of the record and being advised, the Commission is of the opinion and finds that:

1. AT&T Pro Kentucky is a discounted pricing plan that will be offered primarily to small business customers whose requirements do not justify a WATS line. Reach Out Kentucky is an alternative pricing plan that will be offered primarily to residence customers on a block time basis rather than the traditional mileage sensitive basis.

2. The rates and charges filed in the proposed tariffs cover the variable cost of providing these services and are supported by cost documentation filed by AT&T in this case.

3. The proposed tariffs for AT&T Pro Kentucky and Reach Out Kentucky are in the best interest of the public and should be approved.

4. The introduction of the optional calling plans to the tariffs of various telephone utilities was a form of relief for the long existing problem of Extended Area Service. The Commission is aware of the interLATA nature of the optional calling plans presently in the AT&T tariff but to allow the obsoleting and eventual withdrawal of the one-way measured point-to-point calling plan is not in the best interest of the public at this time and should be denied.

5. Insofar as AT&T has no customers currently participating in the one-way measured extended community calling plan, it should

be allowed to withdraw that portion of the optional calling plans from its tariff.

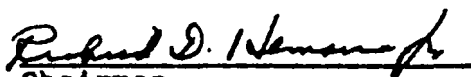
6. AT&T's Motion for confidential treatment should be granted for the reasons stated.

7. The record in this instant case is complete; therefore, no hearing is necessary.

Accordingly, each of the above findings is HEREBY ORDERED.

Done at Frankfort, Kentucky, this 9th day of March, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director