

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MCI TELECOMMUNICATIONS	)	
CORPORATION'S TARIFF FILING TO	)	CASE NO. 89-011
ESTABLISH VNET SERVICE	)	

O R D E R

On January 20, 1989, the Commission released an Order in this case that approved a tariff filing made by MCI Telecommunications Corporation ("MCI") to establish Metered Use Option I, which is commonly known as Vnet Service. The Order granted a motion made by South Central Bell Telephone Company ("South Central Bell") for nondiscriminatory treatment of MCI's services.

On January 27, 1989, South Central Bell filed a motion for reconsideration. The basis of South Central Bell's motion is that Vnet Service is generically similar to Software Defined Network Service,<sup>1</sup> which was approved in Case No. 9519.<sup>2</sup> However, South Central Bell states that the Order in this case departs from several provisions contained in Case No. 9519 Orders. Therefore, South Central Bell moved the Commission to modify the Order in

---

<sup>1</sup> Software Defined Network Service is offered by AT&T Communications of the South Central States, Inc. ("AT&T"). The Commission acknowledged the generic similarity in its Order in this case.

<sup>2</sup> Case No. 9519, AT&T Communications' Tariff Proposal for Software Defined Network Service, Orders dated August 27, 1986 and September 17, 1986.

this case to include the requirements contained in Case No. 9519, as follows:

1. Vnet Service should be reviewed 1 year from the date of the Commission's Order in this case.

2. The call control feature of Vnet Service should be programmed to permanently block unauthorized intraLATA calls.

3. MCI should record all Vnet Service usage until blocking is put into effect.

4. MCI should reimburse local exchange carriers for the net revenue loss accrued as a result of unauthorized intraLATA call completion calculated as the difference between the intraLATA toll revenues the local exchange carriers would have received less the access revenue the local exchange carriers did receive.

South Central Bell proposed that these requirements be in addition to those already delineated in the January 20, 1989 Order.

On February 6, 1989, MCI filed a response to South Central Bell's motion for reconsideration. The basis of MCI's response is, in part, that the Commission opened Administrative Case No. 323<sup>3</sup> to consider compensation for unauthorized intraLATA traffic. Therefore, MCI contends issues related to compensation for

---

<sup>3</sup> Administrative Case No. 323, An Inquiry Into IntraLATA Toll Compensation, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality. The investigation of a compensation plan for unauthorized intraLATA traffic has been designated as Phase II of Administrative Case No. 323.

unauthorized intraLATA traffic should be addressed in Administrative Case No. 323.

The Commission, having considered South Central Bell's motion and MCI's response and being sufficiently advised, finds that:

1. The issues raised in South Central Bell's motion should be adequately addressed in Administrative Case No. 323, a comprehensive investigation of intraLATA competition and compensation, which was initiated subsequent to the Case No. 9519 Orders.

2. The Commission has entered an Order on this date in Administrative Case 323 relieving all interexchange carriers from compliance with blocking requirements, pending Administrative Case 323.

3. South Central Bell's motion for reconsideration should be denied.

IT IS THEREFORE ORDERED that South Central Bell's motion for reconsideration is denied.

Done at Frankfort, Kentucky, this 16th day of February, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

\_\_\_\_\_  
Executive Director

  
Commissioner