

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF AT&T COMMUNICATIONS )  
TO IMPLEMENT FTS 2000 SERVICE ) CASE NO. 89-276  
TARIFF )

O R D E R

On September 8, 1989, AT&T Communications of the South Central States, Inc. ("AT&T") filed the state-specific sections of its Federal Communications Commission ("FCC") Tariff Number 16 under which it proposed to provide Federal Communications System 2000 service ("FTS 2000"). The service would be provided pursuant to a contract with the United States General Services Administration ("GSA"). AT&T was awarded 60 percent of the contract.

By Order dated November 1, 1989, the Commission requested that additional information be filed. The requested information was filed on November 21, 1989, and the record is now complete.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. The FTS 2000 service is a special arrangement available only to agencies of the United States government, and its use will be primarily interstate, although some of the traffic will be intrastate and may result in some intraLATA traffic.

2. FTS 2000 replaces the existing federal telecommunications system and was implemented October 8, 1989.

3. FTS 2000 is provided via an integrated network separate from the switched network.

4. In its response to the November 1, 1989 Order, AT&T stated it will track intrastate usage (minutes and messages), identify the intrastate revenues and switched access expenses, and is willing to make pro forma rate-making adjustments reflecting identifiable revenues and expenses in future rate cases.

5. The GSA contract was awarded according to the GSA bidding process and provides for necessary services to the federal government. The contract should, therefore, be approved.

IT IS THEREFORE ORDERED that:

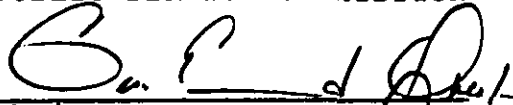
1. The contract between AT&T and GSA for the provision of FTS 2000 service is approved.

2. AT&T shall maintain records of intrastate usage (minutes and messages), revenues and switched access expenses associated with FTS 2000 service.

3. In future rate cases, AT&T shall separately identify FTS 2000 revenues and expenses.

Done at Frankfort, Kentucky, this 24th day of January, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

  
Executive Director

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Commissioner