

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AT&T COMMUNICATIONS OF)
THE SOUTH CENTRAL STATES, INC. FOR) CASE NO. 91-069
ADJUSTMENT OF ALL PRO WATS RATES)

O R D E R

On February 27, 1991, AT&T Communications of the South Central States, Inc. ("AT&T") submitted an application seeking to restructure the rates and charges of its All Pro WATS tariff. With the application AT&T filed a motion to deviate from certain sections of 807 KAR Chapter 5 and that its tariff be approved without suspension. By letter dated March 15, 1991, the application was rejected pursuant to 807 KAR 5:001, Section 2, because the application did not comply with the rules and regulations of the Commission. The Commission received a letter on March 28, 1991 supplying all information requested in the letter rejecting the application.

AT&T has moved for deviations from the requirement to file a letter of intent at least four weeks prior to the application, to provide customer notice, and to file a modified financial exhibit consisting only of a revenue analysis and a description of all property owned by AT&T.

As to AT&T's motion to deviate from the requirement of 807 KAR 5:011, Section 8(1), that it file a letter of intent with the Commission at least four weeks prior to its application, the issue

is moot, considering the time that has lapsed since the filing of its application.

In support of AT&T's motion to deviate from the requirement of 807 KAR 5:011, Section 8, that it notify All Pro WATS customers, AT&T states that it will notify only those of its All Pro WATS customers who are billed by AT&T. It does not plan to notify All Pro WATS customers who will be billed by the local exchange carriers and unaffected by these revised All Pro WATS rates. The Commission finds that it is reasonable for AT&T to individually notify only affected All Pro WATS customers. AT&T should file a copy of its notice and verification that all affected customers have been notified.

AT&T also moved for deviation of the requirement to provide a financial exhibit as delineated in 807 KAR 5:001, Section 6, and instead requests that its financial exhibit consist only of a revenue analysis. AT&T contends that the revenue analysis will provide sufficient information for the Commission to determine the reasonableness of the proposed rates and that the remaining information has already been supplied by AT&T in its annual report. We find this reasonable.

AT&T further moved for a deviation from 807 KAR 5:001, Section 10(1)(c), which requires a description of its property. AT&T contends that the information is not relevant to a determination of the reasonableness of the rates proposed and would add unnecessary expense and delay, a contention we also find reasonable.

In support of AT&T's motion that its tariff be approved without suspension, AT&T claims because the proposed non-mileage sensitive rates exceed the relevant cost to provide All Pro WATS service, the proposed rates represent a net decrease of less than \$100,000 to AT&T, the revenue impact is minimal and the sub-timing of calls will be a benefit to Kentucky customers. Though the Commission will further review the proposed tariff, interim approval of the tariffed rates will be granted.

Having been otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. Deviations from 807 KAR 5:011, Section 8, 807 KAR 5:001, Section 6, and 807 KAR 5:011, Section 10(1)(c), are hereby granted.

2. A deviation from 807 KAR 5:011, Section 8(1), is moot.

3. Within 20 days of the date of this Order, AT&T shall file a copy of its notice to affected All Pro WATS customers and an affidavit verifying that customers have been notified.

4. The proposed rates for All Pro WATS customers are approved herein on an interim basis pending further review of this tariff.

5. AT&T shall file the original and 12 copies of the following information no later than 20 days from the date of this Order:

a. Describe the methodology used to develop the 1991 forecasted volumes.

b. Describe the assumptions used to develop the 1991 forecasted volumes.

c. Describe the statistical accuracy of the 1991 forecasted volumes.

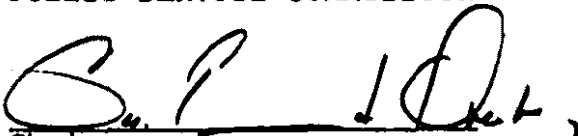
d. Define sub-timing as used in this tariff restructuring. Describe any advantages that it offers customers.


e. Provide the calculations underlying the current and proposed average revenue per minute.

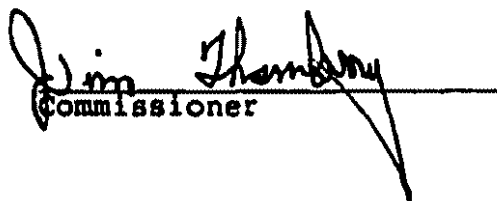
f. Provide the calculations underlying access cost per minute.

Done at Frankfort, Kentucky, this 11th day of June, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director