

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF AT&T COMMUNICATIONS )  
OF THE SOUTH CENTRAL STATES, INC. ) CASE NO. 91-425  
TO ADJUST RATES AND CHARGES )

O R D E R

On November 15, 1991, AT&T Communications of the South Central States, Inc. ("AT&T") submitted a letter of intent to file on December 16, 1991 proposed rate changes for AT&T ALL PRO WATS<sup>1</sup> in Kentucky, AT&T PRO WATS Kentucky, operator-handled conference calls, and voice grade private line service. Also, included in the materials submitted November 15, 1991 was a motion petitioning the Commission to authorize AT&T to use the abbreviated form of newspaper notice. This motion was granted December 6, 1991.

On December 16, 1991, AT&T filed an application to adjust its rates. The proposed rates would result in increases to AT&T PRO WATS Kentucky, operator-handled conference calls, and voice grade private line service. The proposed increases will be offset with reductions, making a net revenue decrease to AT&T of approximately \$15,000. The reduction will be achieved by a decrease to ALL PRO WATS.

On January 9, 1992, the proposed rates and charges were suspended to allow sufficient time for investigation. On January

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<sup>1</sup> Wide Area Telecommunications Service.

29, 1992, AT&T filed a motion for approval of the proposed rate changes contending that there was significant market demand for the lower rates proposed for ALL PRO WATS and that the rate adjustments were needed to respond to the pressures of the competitive marketplace. On February 12, 1992, in response to a data request of February 5, 1992, AT&T agreed to put the rate reduction for ALL PRO WATS in place immediately without the commensurate increases. The Commission issued an Order February 24, 1992 denying AT&T's motion for immediate approval of all the proposed changes and authorizing AT&T to place in effect only the rate reductions effective the date of the Order.

AT&T proposed the following changes in its application: (1) lower the usage discount for PRO WATS Kentucky from 30 percent to 25 percent; (2) reduce the usage rates for ALL PRO WATS in Kentucky and lower the day period volume discount; (3) restructure the Operator Handled Conference Service ("OHCS") by introducing a separate rate schedule exclusively for OHCS calls, establishing a separate holiday schedule, and increasing the service charge from \$9.00 to \$10.00; and (4) increase the central office connection from \$16.40 to \$21.00 for grandfathered voice grade private line service. These proposed rates and charges are cost documented and are reasonable.

The Commission's interim Order should be affirmed, and approval of AT&T's proposed reduction in usage rates for ALL PRO WATS should be granted. Additionally, all the other proposed rates and charges should be approved.

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

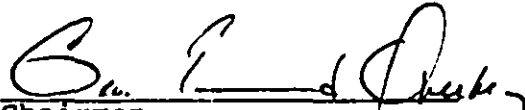
1. The Commission's interim Order authorizing reductions in  
AT&T's ALL PRO WATS rates be and it hereby is affirmed and those  
rates shall be considered final.

2. All other rates and charges proposed by AT&T in this  
application are approved for service rendered on and after the  
date of this Order.

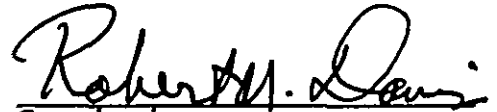
3. Within 30 days from the date of this Order, AT&T shall  
file revised tariff pages with the Commission stating the rates  
and charges approved herein.

Done at Frankfort, Kentucky, this 7th day of May, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director, Acting