

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EASTERN TELECOM)
CORPORATION FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO) CASE NO. 93-356
RESELL TELECOMMUNICATIONS SERVICES IN)
THE STATE OF KENTUCKY)

O R D E R

On September 22, 1993, Eastern Telecom Corporation ("Eastern Telecom") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to resell intrastate long-distance telecommunications services within the Commonwealth of Kentucky. Eastern Telecom was ordered to file additional information on November 22, 1993. Eastern Telecom filed its response on December 22, 1993.

Eastern Telecom is a Virginia corporation with its principal offices in the Commonwealth of Virginia and intends to resell tariffed services of facilities-based carriers certified by this Commission. Eastern Telecom has requested authority to provide operator-assisted telecommunications services.

Eastern Telecom does not own or operate, nor does it intend to construct, any telecommunications transmission facilities within the Commonwealth of Kentucky. All intrastate telecommunications transmission services will be provided by an underlying carrier certified by this Commission.

Eastern Telecom filed its proposed tariff on September 22, 1993. In response to the Commission's request for additional information, Eastern Telecom filed revised tariff sheets on December 22, 1993. The Commission finds that Eastern Telecom has not revised its tariff to comply with the restrictions, guidelines, and conditions of service established for the provision of operator-assisted services in Administrative Case No. 330,¹ a summary of which is attached hereto and incorporated herein as Appendix A. Eastern Telecom's proposed usage rates for its INNtegrity Basic, Premier, Ultimate, and Mirror services exceed AT&T Communications of the South Central States, Inc.'s maximum approved rates. "Maximum approved rates" are defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. The Commission further finds that Eastern Telecom has not revised its tariff to conform to 807 KAR 5:006, Section 14, Refusal or Termination of Service. Eastern Telecom should also file revised tariff sheets removing any reference to deposits in accordance with its December 22, 1993 response to Item 8(e) of the Commission's November 22, 1993 data request.

The application provided by Eastern Telecom demonstrates its financial, managerial, and technical capability to provide utility service. The Commission finds that Eastern Telecom should be

¹ Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services, Orders Dated March 27 and May 3, 1991.

granted a Certificate of Public Convenience and Necessity to resell intrastate long-distance telecommunications services and to provide operator-assisted services within the Commonwealth of Kentucky. However, the Commission further finds that Eastern Telecom's proposed tariff, filed September 22, 1993 and revised December 22, 1993, should be denied for the reasons discussed herein.

IT IS THEREFORE ORDERED that:

1. Eastern Telecom be and it hereby is granted authority to resell intrastate long-distance telecommunications services within the Commonwealth of Kentucky on and after approval of its rates.

2. Eastern Telecom be and it hereby is granted authority to provide intrastate operator-assisted services within the Commonwealth of Kentucky on and after approval of its rates.

3. IntraLATA telecommunications services shall be provided in accordance with the restrictions and conditions of service contained in Administrative Case No. 323.²

4. Eastern Telecom's authority to provide service is strictly limited to those services described in this Order and Eastern Telecom's application, and the conditions described in this Order and its Appendix A.

5. The rates proposed by Eastern Telecom on September 22, 1993, and revised on December 22, 1993, are hereby denied.

² Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality, Phase I, Order Dated May 6, 1991.

6. Within 30 days from the date of this Order, Eastern Telecom shall file its revised tariff sheets pursuant to 807 KAR 9:011 which conform to the restrictions and conditions of service contained herein.

Done at Frankfort, Kentucky, this 23rd day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-356 DATED FEBRUARY 23, 1994

Conditions of Service for the Provision of Operator Services Adopted from Commission Orders in Administrative Case No. 330, Orders Dated March 27, 1991 and May 3, 1991.

(1) Operator-assisted services shall be subject to rate regulation and rates shall not exceed AT&T Communications of the South Central States, Inc.'s ("AT&T") maximum approved rates. "Maximum approved rates" are defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Carriers are not permitted to include any other surcharges or to bill for uncompleted calls. Time-of-day discounts shall also be applicable. Carriers are also required to rate calls using the same basis that AT&T uses to rate calls, i.e., distance calculations based on points-of-call origination and termination, definitions of chargeable times, billing unit increments, rounding of fractional units, and minimum usages. When there is any change in AT&T's maximum approved rates, carriers shall file tariffs if necessary to comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

(2) Except as otherwise indicated in this Order, non-dominant carriers shall be subject to regulation as delineated in the May 25, 1984 Order in Administrative Case No. 273 as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order shall take precedence, unless

a carrier is specifically relieved from compliance with any conditions contained herein.

(3) Operator service providers that provide service to traffic aggregators shall not allow access to the operator services of competing carriers to be blocked or intercepted. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(4) Traffic aggregator is defined to mean any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises for intrastate telephone calls using a provider of operator services. Aggregators include hotels and motels, hospitals, universities, airports, gas stations, and non-local exchange carrier pay telephone owners. This definition includes the provision of all non-local exchange carrier pay telephones even if no compensation is paid to the owner of the pay telephone. The residential use of operator services is specifically excluded from this definition.

(5) Access to the local exchange carriers' operators shall not be blocked or otherwise intercepted by traffic aggregators. Specifically, all "0-" calls, that is, when an end-user dials zero without any following digits, shall be directed to the local exchange carrier operators. In equal access areas, "0+" intraLATA calls, that is, when an end-user dials zero and then dials the digits of the called telephone number, shall not be intercepted or blocked. In

non-equal access areas, it is prohibited to block or intercept "0-" calls; however, it is permissible to intercept "0+" calls. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(6) Carriers shall not be required to provide access codes of competitors. Each carrier should advise its own customers as to the appropriate 10XXX access code.

(7) Carriers shall provide tent cards and stickers to traffic aggregators to be placed near or on telephone equipment used to access their services and shall include provisions in tariffs and contracts entered into with any traffic aggregator that subject violators to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(8) Operators shall identify the carrier at least once during every call before any charges are incurred.

(9) Operators shall provide an indication of the carrier's rates to any caller upon request.

(10) Carriers shall not accept calling cards for billing purposes if they are unable to validate the card.