

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AT&T COMMUNICATIONS OF THE)	
SOUTH CENTRAL STATES, INC.)	
_____)	CASE NO. 2000-134
)	
ALLEGED VIOLATION(S) OF KRS 278.535)	
SWITCHING OF TELECOMMUNICATIONS)	
PROVIDER)	

O R D E R

This is a case in which several consumers allege that AT&T Communications of the South Central States, Inc. ("AT&T") switched their long-distance providers without authorization. The Commission entered an Order on March 22, 2000 directing AT&T to show cause why it should not be found in violation of KRS 278.535.

AT&T responded to the Order, claiming that it had received proper authorization from each consumer to switch long-distance providers in the instances recounted in the March 22, 2000 show cause Order. At AT&T's request, an informal conference with Commission Staff was conducted on June 9, 2000.

As a result of the informal conference and ongoing negotiations, a settlement agreement (attached hereto) was reached. The terms of the agreement are reasonable and should be approved. The Commission also notes that its willingness to accept the settlement agreement is based in part upon AT&T's changes in its business structure to deter slamming from occurring. The Commission also commends AT&T for its

cooperation and candor during the formal process. AT&T's conduct has facilitated a mutually satisfying settlement of this case.

Based upon the foregoing, and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. The attached settlement agreement is accepted and adopted by the Commission.

2. Within 30 days of the date of this Order, AT&T shall tender the agreed-upon payment of \$3,000, in the form of a cashier's check made payable to the Kentucky State Treasurer, to the Office of the General Counsel, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

3. Upon receipt of the agreed-upon payment, this case shall be dismissed and removed from the Commission's docket.

Done at Frankfort, Kentucky, this 25th day of July, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 2000-134

DATED JULY 25, 2001

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AT&T COMMUNICATIONS OF THE)
SOUTH CENTRAL STATES, INC.)

CASE NO. 2000-134

_____)
ALLEGED VIOLATION(S) OF KRS 278.535)
SWITCHING OF TELECOMMUNICATIONS)
PROVIDER)

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement ("Agreement") is entered into this the 13 day of July, 2001, by and between AT&T Communications of the South Central States, Inc. ("AT&T") and the Kentucky Public Service Commission ("Commission") as follows:

1. AT&T is a telecommunications provider authorized to do business in Kentucky and is subject to the Commission's jurisdiction. AT&T operates in Kentucky as a primary interexchange carrier ("PIC") pursuant to tariffs on file with the Commission.

2. On March 22, 2000, the Commission issued an Order commencing this case against AT&T alleging six violations of KRS 278.535, which governs unauthorized switching of telecommunications providers.

3. In response to the Commission's March 22, 2000 Order, AT&T provided additional information to the Commission regarding the six violations alleged in the Order. On June 9, 2000, AT&T representatives met with Commission Staff in an

informal conference to discuss the alleged violations. AT&T presented to Commission Staff detailed factual information regarding each of the six counts. Additionally, AT&T presented various improvements it had made to deter the practice of "slamming" and to expedite AT&T's response to Commission inquiries. The Commission expresses confidence in AT&T's improvements, recognizes that the improvements adopted by AT&T have been in effect both in Kentucky and nationwide and have been demonstrably effective to date.

4. Based on review of the information provided by AT&T, the Commission and AT&T agree that three of the six counts do not constitute unauthorized switching of telecommunications providers in violation of KRS 278.535. These counts include: Count I – Ms. Michael B. Smith; Count II – Farm Bureau Mercer County; and Count IV – Elizabeth Sherling. The Commission and AT&T agree that Counts I, II, and IV are dismissed in their entirety with prejudice as they involve problems with the local exchange carrier and the inadvertent creation of billing accounts.

5. Consistent with its commitment to prevent unauthorized changes in a customer's telecommunications provider, AT&T has cooperated fully with the Commission in this matter. To avoid the time, effort, and expense of preparing for and attending hearings, AT&T and Commission Staff have agreed to compromise and settle this matter on the following terms:

A. No later than 30 days from entry of an Order accepting this agreement, AT&T shall pay \$3,000.00 to the Kentucky State Treasurer in full settlement of this matter.

B. The Parties agree and acknowledge that this Agreement is the result of a compromise and shall never be construed as an admission by AT&T of any liability, wrongdoing, or responsibility on its part or on the part of its predecessors, successors, assigns, agents, parents, subsidiaries, affiliates, offices, directors,

employees, or shareholders. AT&T expressly denies any such liability, wrongdoing, or responsibility.

D. This Agreement is subject to the approval of the Commission.

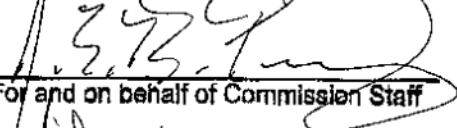
E. If the Commission fails to adopt this Agreement in its entirety, AT&T reserves the right to withdraw from it and proceed to a hearing. In such event, none of the terms contained in this Agreement shall be binding on any of the parties.

F. If the Commission adopts this agreement in its entirety, this Agreement shall constitute a final disposition of this proceeding without additional hearing.



Title Senior Attorney
For and on behalf of AT&T

Date June 13, 2001



For and on behalf of Commission Staff

Date July 13, 2001