

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BELL SOUTH	)	
TELECOMMUNICATIONS, INC. TO	)	
INTRODUCE THE BELL SOUTH 25¢	)	CASE NO. 98-287
CALL PLAN	)	

THE TARIFF FILING OF BELL SOUTH	)	
TELECOMMUNICATIONS, INC. TO	)	CASE NO. 98-288
INTRODUCE A NEW EXPANDED	)	
VERSION OF AREA PLUS SERVICE	)	

ORDER

BellSouth Telecommunications, Inc. ("BellSouth") filed a tariff on March 31, 1998 to provide message based pricing for intraLATA toll calls for 25¢ per call plus a \$4.95 monthly fee. On the same date, BellSouth filed a tariff to replace its current Area Plus Service to include the entire LATA. A customer may call anywhere in his home LATA for a flat monthly charge. Both of these services are optional.

AT&T Communications of the South Central States, Inc. ("AT&T") filed a motion for intervention and the tariffs were suspended pending investigation. AT&T claims that the tariffs will not pass the Commission's imputation standard and further will have an anti-competitive effect on the intraLATA toll market. The Commission was also concerned with BellSouth's analysis and its assumptions. BellSouth claims and demonstrates in its analysis that the tariffs will pass the imputation standard and will not be anti-competitive in the market.

AT&T also asserts that BellSouth has violated Section 272 of the Telecommunications Act of 1996. AT&T has incorrectly interpreted this statute. The statute requires a separate affiliate for a Bell Operating Company's interLATA services. BellSouth is not providing interLATA services through these tariffs, but rather intraLATA services.

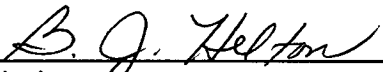
No party has requested a hearing in these matters; therefore, the Commission will issue its decision herein. BellSouth has demonstrated to the Commission that its assumptions in its cost studies and analyses are valid. BellSouth plans to target specific markets for these tariffs. However, BellSouth stated it would provide these services to all customers that request them even though all customers will not be actively marketed. Although AT&T claims these tariffs are anti-competitive, both calling plans are available to Competitive Local Exchange Carriers ("CLECs") for resale. In fact, nothing prevents other toll carriers from offering the same or similar plans to their customers. The Commission has always encouraged competition in the toll market and innovative ways to serve customers.

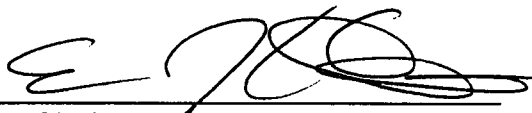
IT IS THEREFORE ORDERED that:

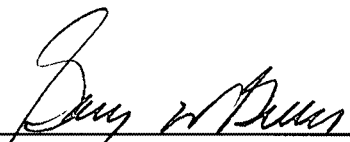
1. The tariff filings of BellSouth be approved and effective as of the date of this Order.
2. BellSouth shall file updated tariff sheets to reflect the effective date.

Done at Frankfort, Kentucky, this 28th day of October, 1998.

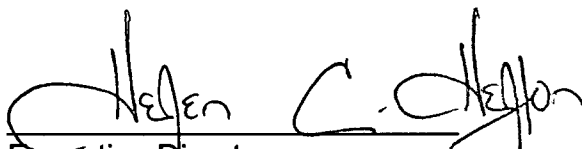
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director