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September 1, 2005

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SEP 2 2005

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

RE: Case No. 2005-00186 – AT&T's Comments

Dear Ms. O'Donnell:

Enclosed please find AT&T Communications of the South Central States, LLC's comments in response to the Commission's June 22, 2005 Order in the referenced proceeding.

Ten copies of AT&T's comments are enclosed. In addition, we are serving one copy to Assistant Attorney General Dennis G Howard, II at the Office of Rate Intervention. Please indicate receipt of this filing by your office by placing your file stamp on the extra copy and returning to me via the enclosed, self-addressed stamped envelope.

Sincerely yours,



Douglas F. Brent

Counsel for AT&T Communications of the South
Central States, LLC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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SEP 2 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN INQUIRY INTO LIMITATIONS)	
OF USE FOR TARIFFED SERVICES)	Administrative
DESIGNATED OR OTHERWISE)	Case No. 2005-186
REFERRED TO AS UNLIMITED)	

COMMENTS OF AT&T

AT&T Communications of the South Central States, LLC (“AT&T”), pursuant to the Kentucky Public Service Commission’s (“Commission”) June 22, 2005 order initiating this proceeding, hereby submits its comments regarding the placement of usage limitations on calling plans that are labeled or described as “unlimited”.

At the outset, AT&T acknowledges the Commission’s concern that the use of the term “unlimited” to describe a flat-rated calling plan should not mislead Kentucky consumers. However, in addressing this issue, AT&T urges the Commission to carefully distinguish between services offered by companies that place a limitation on the amount of usage permitted for an “unlimited” calling plan and service offerings that truly allow unlimited calling volumes for the applicable types or categories of calls covered by the calling plan. While calling plans in the former category may cause customer confusion and require corrective action by the Commission, calling plans in the latter category, if adequately described in the tariffs and customer contact materials, should not require any mandated changes from the Commission.

In the order initiating Administrative Case No. 2005-00186, the Commission expressed concern about charges for “excessive use” under plans marketed as “unlimited.” If there are calling plans which impose additional charges based solely on a customer’s minutes of use, those plans may result in customer confusion and require some sort of corrective action by the Commission. However, the Commission should not mix these types of plans together with plans that have no usage limitations. AT&T’s residential unlimited calling plans describe the types of calls covered by the calling plan, but do not limit the amount of usage for those types of calls. For example, the AT&T One Rate USA plan provides for “unlimited calls within the Customer’s local calling area, and unlimited residential voice direct-dialed domestic long distance and local toll (intraLATA and interLATA) calling.”¹ In addition to the description of the service, the AT&T tariff further articulates types of calls that are not consistent with the intent of the service offering:

If it is determined that usage is not consistent with residential voice applications, such as for Internet Access Services, commercial facsimile or auto-dialing, resale, telemarketing or other non-residential uses, AT&T may ...²

As announced on July 22, 2004, as a result of changes in federal regulatory policy governing local telephone service, AT&T is no longer actively competing for residential or small business local and stand-alone long distance customers. Although AT&T has stopped actively marketing to attract new customers, it does sell to customers who contact AT&T and request service. In addition to the tariff language discussed above,

¹ AT&T Kentucky Local Exchange Services Tariff, Section 5.2.6.

² *Ibid.* The only exception regarding usage limitations is the AT&T Personal Network Unlimited Weekend Calling option that offers interstate and intrastate dial station calls all day Saturday and Sunday up to 1,000 minutes per month. However, this plan has not been available to new customers since March 10, 2000 and there are no Kentucky customers currently subscribed to this plan.

these customers are informed about plan restrictions both pre-order and post-order. During the pre-order activities AT&T representatives provide rates and terms and conditions to customers verbally. For post-order activities the customers are sent written confirmation of the services purchased, including any plan details and restrictions.

Thus, AT&T customers are clearly and correctly informed that the AT&T unlimited calling plans are intended for certain types of calls and there are no limitations on the amount of usage regarding those types of calls. As a result, there have been only two relevant customer complaints in Kentucky regarding AT&T Unlimited Calling Plans since January 1, 2001. Both complaints related to a type of call (internet access) that is inconsistent with residential voice applications and therefore contrary to the tariff. – i.e., the complaints related to the “types” of calls rather than usage volumes. This lack of meaningful customer complaint activity supports the fact that AT&T’s current tariff and practices adequately inform customers as to the nature and the terms of the services being offered.

Whatever kind of action the Commission decides to take, if any, as a result of its investigation of unlimited calling plans, it should make a clear distinction between “unlimited” calling plans that place a restriction on the amount of usage volumes and those, such as AT&T’s, that are fully disclosed as applying to specific “types” of calls that are subject to unlimited usage. There appears to be no evidence from customer complaints or otherwise that the public has been confused or misled by the types of unlimited calling plans as those contained in AT&T’s Kentucky tariffs. Consequently, the Commission should take no action with regard to those types of unlimited calling plans.

Respectfully submitted this 1st day of September 2005.

Gene V. Coker by DFB

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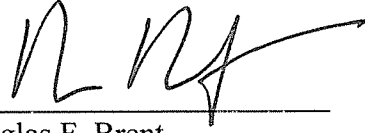
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COUNSEL FOR AT&T
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CERTIFICATE OF SERVICE

A copy of the foregoing was served this 1st day of September, 2005 first class, United States mail, postage prepaid, upon Dennis G. Howard, II, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601-8204.

A handwritten signature in black ink, appearing to read 'D. Brent', written over a horizontal line.

Douglas F. Brent