

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF TELAMARKETING COMMUNICATIONS,)
INC. FOR CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE RESALE OF TELE-) CASE NO. 8792
COMMUNICATIONS SERVICES AND FACILITIES)
WITHIN KENTUCKY)

O R D E R

On March 22, 1983, Telamarketing Communications, Inc., ("Telamarketing") filed an application requesting a certificate of public convenience and necessity to provide telecommunications services within the Commonwealth of Kentucky through the resale of intrastate wide area telecommunications service ("WATS") which would be obtained from existing regulated telephone utilities operating in Kentucky. At that time the WATS tariff of South Central Bell Telephone Company ("Bell"), concurred in by all other telephone utilities in Kentucky, prohibited the resale of intrastate WATS.

The Commission determined that it should wait until the outcome of Administrative Case No. 261 (Investigation into the Resale of Intrastate WATS) before considering the application of Telamarketing.

On September 2, 1983, the Commission entered an Order in Administrative Case No. 261 which stated that South Central Bell's application for the removal of the prohibition against the resale of intrastate WATS and the restructuring of intrastate WATS rates

was approved and would become effective November 1, 1983. The Commission further ordered that the prohibition against the resale and sharing of private line services remain in effect, and that any party desiring to resell intrastate WATS shall obtain a certificate of public convenience and necessity and comply with the rules and regulations of the Commission prior to offering such service.

A public hearing was held in the matter of the application of Telamarketing for a certificate of public convenience and necessity on September 29, 1983. No intervenors were present at the hearing.

DISCUSSION

Telamarketing Communications, Inc.'s, main offices are located in Louisville, Kentucky. Prior to the hearing, Telamarketing merged with Telamarketing of central Kentucky operating in Lexington, Kentucky, and with Telamarketing of southern Kentucky operating in Bowling Green, Kentucky. The companies are presently engaged in the business of providing the resale of interstate WATS telephone services to business and residential subscribers. Telamarketing will continue providing services to the citizens of Kentucky by leasing WATS from common carriers and making these services available to the public on a measured basis.

Telamarketing uses Dimension 2000 switches manufactured by Western Electric and leased from AT&T Information Services. These switches receive calls by being dialed directly by the customers who have local access numbers to the switch. Each customer also has a personal identification number, called an access code, which

is dialed once the customer has received dial tone from Telamarketing's switch. The customer then dials the long distance number by area code and number that he wishes to reach. The call is processed by the Dimension 2000 switch and transmitted out over WATS lines leased from the telephone company. Telamarketing leases foreign exchange and 800 in-WATS lines from the local telephone companies for its customers who are not located in an exchange in which Telamarketing has a switch.

Telamarketing presently has 7,718 customers subscribing to its interstate service. It anticipates that it will incur a 25 percent per month growth for the next 2 years from its present customer base.

Telamarketing will serve the Louisville, Lexington, and Bowling Green areas in Kentucky from switches located in these exchanges, and will serve most other areas through the use of leased Foreign Exchange and 800 in-WATS lines. Telamarketing maintains a 5 percent blocking rate on its calls, which infers that out of 100 attempts, approximately 5 busy conditions will occur.

FINDINGS AND ORDER

The Commission, having considered the application and evidence of record and being advised, is of the opinion and finds that:

(1) Public convenience and necessity require that the resale of intrastate WATS as is proposed in the application and

record be performed, and that a certificate of convenience and necessity be granted; and

(2) The Tariff filed on October 19, 1983, by Telamarketing containing its rates, rules, and regulations is fair, just and reasonable, and should become effective November 1, 1983.

IT IS THEREFORE ORDERED that Telamarketing be and it hereby is granted a certificate of public convenience and necessity to resell intrastate WATS as set forth in the application and record.

IT IS FURTHER ORDERED that Telamarketing's tariff containing its rates, rules and regulations shall become effective November 1, 1983.

Done at Frankfort, Kentucky, this 9th day of November, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary