

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AT&T COMMUNICATIONS TARIFF)
PROPOSAL FOR SOFTWARE DEFINED) CASE NO. 9519
NETWORK SERVICE)

O R D E R

On February 18, 1986, AT&T Communications ("AT&T") filed with the Commission a tariff proposing Software Defined Network Service ("SDN"), a networking service designed to carry voice and data traffic to customer and off-network locations. The service also provides centralized network maintenance and administration.

By an Order dated March 7, 1986, the Commission suspended the proposed tariff for five months through August 10, 1986.

South Central Bell Telephone Company ("SCB") filed a motion for full intervention on July 22, 1986, which the Commission granted by an Order dated July 24, 1986. SCB had previously submitted a letter commenting on the tariff and requesting that five conditions be applied should the Commission approve the tariff.

On July 25, 1986, the Commission held a hearing on the proposed tariff. Following the hearing, AT&T filed a brief and responses to information requests made at the hearing.

Because of the complex technical nature involved in determining the proper separation of interstate and intrastate revenues associated with this service, the Commission is of the

opinion that SDN Service should be granted approval, subject to further investigation and review 1 year from the date of this Order. This approval is granted on the express condition that the following stipulations are met:

1. The call control feature of SDN shall be programmed to permanently block unauthorized intralata calls.

2. Until AT&T is able to put such a blocking program into effect, AT&T shall record all usage and forward such information to the Commission on a quarterly basis.

3. AT&T shall take the necessary remedial action with its customers to enforce its tariff.

4. AT&T shall report all unauthorized intralata usage to the Commission on a quarterly basis.

5. AT&T shall reimburse the LECs for the net revenue loss accrued as a result of unauthorized intralata call completion. The net revenue loss would be the difference between the intralata toll revenues the LECs would have received and the access revenues the LECs did receive.

AT&T shall also maintain its call detail records so that the jurisdictional nature of a call, interstate or intrastate, can be determined, after the fact. A proposed method of reporting to meet this requirement shall be submitted by AT&T within 30 days of the date of this Order. No decision is rendered herein on the issue of whether this service involves a private versus public switched service, and that issue is specifically reserved for further evaluation.

IT IS THEREFORE ORDERED that:

1. The SDN service offering proposed by AT&T be and it hereby is granted approval, with the stipulations outlined herein subject to a further investigation and review 1 year from the date of this Order.

2. The call control feature of SDN shall be programmed to permanently block unauthorized intralata calls.

3. AT&T shall record all SDN usage to unauthorized intralata usage until such a blocking program is put into effect.

4. AT&T shall file with the Commission a report of all SDN usage of unauthorized intralata use on a quarterly basis.

5. AT&T shall take the necessary remedial action with its customers to enforce its tariff.

6. AT&T shall report all unauthorized intralata usage to the Commission on a quarterly basis.

7. AT&T shall maintain its call detail records so that the jurisdictional nature of a call, interstate or intrastate, can be determined, after the fact.

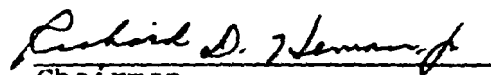
8. AT&T shall submit a proposed method of reporting to meet the above requirement within 30 days of the date of this Order.


9. Contracts between AT&T and SDN customers shall indicate that SDN service is subject to review and change by the Commission 1 year from the date of this Order.

10. Within 30 days of the date of this Order AT&T shall file with the Commission its SDN tariff as approved herein.

Done at Frankfort, Kentucky, this 27th day of August, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director