COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AT&T TARIFF FILING PROPOSING) Case No. 9874 MEGACOM/MEGACOM 800 SERVICE)

INTERIM ORDER

On February 13, 1987, AT&T Communications of the South Central States ("AT&T") filed a tariff application with the Commission proposing a new service known as Megacom/Megacom 800. The proposed service is a custom switched telecommunications service which permits inward 800 number calling from stations located in the State of Kentucky to an AT&T Megacom 800 Service On March 2, 1987, South Central Bell Telephone Central Office. Company ("SCB") filed a motion for full intervention. This motion was granted by Commission Order dated March 11, 1987. On March 31, 1987, AT&T filed a motion for expedited final approval of the tariff in which it states that the proposed Megacom Service is part of a major competitive bid which AT&T must submit to a potential customer by not later than April 10, 1987. SCB responded on April 6, 1987, stating its concern that the Megacom Service will give customers the capability of completing intraLATA calls, which AT&T has not been authorized by this Commission to provide. Since the Commission is also concerned about unauthorized intraLATA call completion, this tariff was suspended to provide sufficient time to fully investigate this situation. However, it is not the Commission's intention to place AT&T at a competitive disadvantage; therefore, the Commission is of the opinion and finds that the Megacom tariff should be granted interim approval, subject to further investigation. This approval is granted on the express condition that the following stipulations are met:

1. AT&T shall implement procedures to measure and report interstate and intrastate jurisdictional usage and interLATA and intraLATA usage.

2. AT&T shall inform prospective customers that the use of this service to complete intraLATA calls is not authorized by this Commission.

3. As part of its investigation of this tariff, the Commission will consider appropriate means for compensating local exchange carriers for unauthorized intraLATA traffic that results from this tariff on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. The Megacom tariff be, and hereby is, granted interim approval pending further investigation and subject to the stipulations described in this Order.

2. AT&T will file its implementation procedures for the determination of jurisdictional usage as described in finding 1, by May 8, 1987.

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Done at Frankfort, Kentucky, this 10th day of April, 1987.

PUBLIC SERVICE COMMISSION

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Vice Chairman

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ATTEST:

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Executive Director