

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF SOUTH CENTRAL	)	
BELL TELEPHONE COMPANY TO REVISE	)	CASE NO. 90-057
ITS ACCESS SERVICES TARIFF	)	

O R D E R

Procedural Background

On February 16, 1990, South Central Bell Telephone Company ("South Central Bell") filed revisions to its intrastate access services tariff. The tariff filing was amended on February 28, 1990. On March 19, 1990, the tariff filing was suspended to allow sufficient time to investigate the reasonableness of its rates and charges and terms and conditions of service. AT&T Communications of the South Central States, Inc. ("AT&T") filed a motion for full intervention on April 26, 1990. On April 27, 1990, AmeriCall Systems of Louisville filed a motion for full intervention. Both motions were granted on May 9, 1990. On May 15, 1990, the tariff filing was further amended. AT&T filed a motion to equalize local switching access rates on June 25, 1990. On July 10, 1990, MCI Telecommunications Corporation ("MCI") filed a motion for full intervention. The motion was granted on July 19, 1990. On July 24, 1990, MCI filed a response to AT&T's motion to equalize local switching access rates. AT&T filed a reply to MCI's response on August 7, 1990.

The schedule of procedure in this investigation required any party seeking a public hearing to file a motion for a public hearing. No motion for a public hearing was filed and no public hearing has been held.

### Discussion

#### The Tariff Filing

South Central Bell proposed revisions to its intrastate access services tariff to improve clarity and ease of administration, and more closely align it with its interstate access services tariff. The revisions generally involve text changes and terms and conditions of service rather than rates and charges. The revenue impact is de minimus, amounting to less than \$10,000 annually. A summary of the revisions follows:

1. General regulations (Section E2) have been revised to clarify: (a) the company's exposure for failure to comply with Lifeline Assistance and Universal Service Fund requirements, including deletion of provisions governing liability for errors in presubscription implementation and addition of provisions governing refusal and discontinuance of service; (b) use of access service; obligations of the customer, including revised provisions governing jurisdictional usage reports and the determination of intrastate charges for mixed interstate and intrastate access service; payment arrangements and credit allowances, including revised and new provisions governing billing disputes and the documentation necessary to support billing dispute claims, new provisions governing credit allowances for wired music service interruptions, and revised and new provisions governing billing of

access service by multiple companies; and revise and add terms and definitions.

2. Carrier common line access service regulations (Section E3) have been revised to clarify general descriptions and limitations of access service; clarify the undertaking of the company, including deletion of obsolete provisions governing the resale of MTS/WATS<sup>1</sup> and MTS/WATS-like services; clarify obligations of the customer and payment arrangements; consolidate and clarify provisions governing the determination of usage subject to carrier common line charges, resold services, and payment of coin sent-paid monies; and clarify rate regulations and the applicability of rates and charges.

3. Ordering options for switched and special access service (Section E5) have been revised to clarify general descriptions and access order provisions. Provisions applicable to design changes have been modified and cancellation charge percentages have been changed. Planned facilities order provisions have been deleted.

4. Switched access service regulations (Section E6) have been revised to clarify general terms and conditions, the provision and description of switched access service arrangements, local switching optional features, transmission specifications, obligations of the company, rate regulations, and the applicability of rates and charges. Changes have been made to allow an 800 or Feature Group B access customer to route its 800

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<sup>1</sup> MTS is an acronym for Message Telecommunications Service and WATS is an acronym for Wide Area Telecommunications Service.

or Feature Group B access service originating access minutes from non-equal access end offices over trunks with equal access capabilities, a Feature Group C access customer to order additional trunks, and a Feature Group D access customer to route its Feature Group D access service terminating access minutes to a non-equal access end office. Premium rates apply to these access service arrangements. Also, references to international calls have been deleted and Feature Group C and Feature Group D descriptions of WATS access lines and WATS access line transmission specifications have been deleted and relocated.

5. Special access service regulations (Section E7) have been revised to clarify general terms and conditions, service descriptions, and the applicability of rates and charges. Provisions and rates and charges applicable to WATS access lines have been relocated from Section E6 to Section E7.

6. Directory assistance access service regulations (Section E9) have been revised to clarify general descriptions, the obligations/responsibilities of the company, obligations of customers, payment arrangements, and rate regulations and charges. Changes have been made to allow directory assistance access service through access tandems and delete special trunk arrangements. Also, changes have been made to include directory assistance access service as a basic component of Feature Group B, Feature Group C, and Feature Group D access service. Requirements to order directory assistance access service for a minimum period of six months have been changed to a minimum period of one month and the minimum monthly charge has been deleted.

7. The title of Section E10 has been changed to LATA<sup>2</sup> Configurations.

8. Special facilities routing of access services regulations (Section E11) have been revised to clarify general descriptions and add individual case basis rates and charges.

9. Section E13 has been revised to clarify terms and conditions and rates and charges applicable to additional engineering and labor, and miscellaneous services such as presubscription, testing services, and access service billing information.

The Commission has received no comments concerning South Central Bell's proposed revisions to its intrastate access services tariff and, having considered the changes and being sufficiently advised, finds that they should be approved as filed, except as discussed below.

In Case No. 8838,<sup>3</sup> the Commission advised local exchange carriers that all intrastate access services tariffs rates, rules, and regulations should be stated or otherwise made a part of the Commission's records.<sup>4</sup> Accordingly, references to tariffs filed

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<sup>2</sup> Local Access and Transport Area.

<sup>3</sup> Case No. 8838, An Investigation of Toll and Access Charge Pricing and Toll Settlement Agreements for Telephone Utilities Pursuant to Changes to be Effective January 1, 1984.

<sup>4</sup> Ibid., Order dated November 20, 1984, pages 42-63.

with the Federal Communications Commission should be deleted and replaced with the appropriate text in South Central Bell's intrastate access services tariff or other intrastate tariff.

AT&T's Motion

In its motion to equalize local switching access rates, AT&T moves the Commission to:<sup>5</sup>

1. Equalize rates for local switching 1 ("LS1") and local switching 2 ("LS2"). At present, the LS1 rate is discounted 35 percent as compared to the LS2 rate. The LS1 rate applies to Feature Group A and Feature Group B switched access service. The LS2 rate applies to Feature Group C and Feature Group D switched access service. Feature Group A and Feature Group B are non-premium switched access services generally used by carriers other than AT&T. Feature Group C and Feature Group D are premium switched access services generally used by AT&T.

2. Equalize rates for all switched access services used to originate or terminate traffic in non-equal access end offices, including the rates for local transport, local switching, line termination, and intercept service. At present, non-premium switched access rates are discounted 55 percent as compared to premium switched access rates. Generally, premium switched access rates apply to AT&T.

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<sup>5</sup> Motion of AT&T to Equalize Local Switching Rates, page 2.

AT&T alleges that the access services provided at discounts to long distance companies competing with AT&T are functionally equivalent to the access services provided to AT&T, the discounts cannot be justified on the basis of cost or the public interest, and the discounts provide an underlying cost advantage to AT&T's competitors.<sup>6</sup> MCI responds that AT&T's motion should be denied because this investigation is not the appropriate case to consider the issues raised by AT&T, AT&T does not demonstrate any material change in circumstances since the Commission adopted access services discounts, the discounts reflect the inferior quality of non-premium access services as compared to premium access services, and the discounts promote effective competition.<sup>7</sup> AT&T replies that MCI confuses the rationale for access services discounts and mixes the discounts and their application when arguing that they should be retained.<sup>8</sup>

A tariff filing is normally suspended for 5 months or approximately 150 days. This investigation was on the Commission's docket approximately 100 days when AT&T filed its

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<sup>6</sup> Ibid.

<sup>7</sup> Response of MCI to the Motion of AT&T to Equalize Local Switching Rates, pages 1-4.

<sup>8</sup> Reply of AT&T to the Response of MCI to the Motion of AT&T to Equalize Local Switching Rates, page 2.

motion to equalize local switching services rates. The issues raised in it are complex, highly contentious, and would require extensive investigation and analysis. Given these factors and time restraints imposed, the Commission finds that the motion is untimely and should be denied.

IT IS THEREFORE ORDERED that:

1. South Central Bell's proposed revisions to its intrastate access services tariff be and they hereby are approved as filed, except as discussed herein.

2. Within 30 days from the date of this Order, South Central Bell shall file revised tariff pages consistent with the terms of this Order.

3. AT&T's motion to equalize local switching services rates be and it hereby is denied; however, the issues merit investigation and the Commission will establish a separate proceeding on the elimination of access services discounts.

Done at Frankfort, Kentucky, this 20th day of August, 1990.

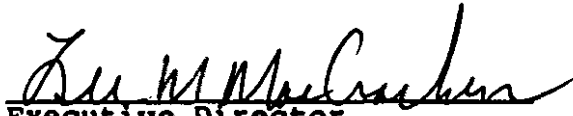
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