

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AT&T COMMUNICATIONS)
OF THE SOUTH CENTRAL STATES, INC. FOR) CASE NO. 91-069
ADJUSTMENT OF ALL PRO WATS RATES)

O R D E R

On March 28, 1991, the Commission accepted AT&T Communications of the South Central States, Inc.'s ("AT&T") application to adjust its All Pro WATS rates. On June 11, 1991, the Commission granted interim approval of AT&T's proposed All Pro WATS rates subject to further review. In that same Order, the Commission granted AT&T's requests for certain deviations from its filing requirements and requested additional information. On July 1, 1991, AT&T responded to the Commission's requested information.

This Order affirms the Commission's interim Order and grants approval of AT&T's proposed All Pro WATS rates.

DISCUSSION

All Pro WATS is a long-distance service provided by AT&T for use primarily by business customers. AT&T's proposal is to increase and decrease certain All Pro WATS rates, the net effect being an expected reduction in annual revenue of approximately \$100,000. AT&T further proposed to restructure its All Pro WATS rates to eliminate mileage sensitivity and to introduce sub-minute timing and volume discounts. AT&T stated that the purpose of

adjusting its All Pro WATS rates was to make the service more competitively attractive to customers. AT&T estimated that an average customer of All Pro WATS would experience an 8 percent to 15 percent decrease in billing.

The Commission has reviewed the forecast and cost information provided in response to its data request and finds that AT&T's proposed All Pro WATS rates are priced above cost. Therefore, the Commission finds that AT&T's proposed All Pro WATS rates are reasonable and should be approved on a permanent basis.


IT IS THEREFORE ORDERED that:

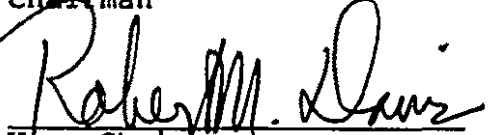
1. The Commission's interim Order of June 11, 1991, granting AT&T authority to charge its All Pro WATS rates for service on and after the date of the Order, be and it hereby is affirmed.

2. Within 20 days of the date of this Order, AT&T shall file its tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 1st day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director

Commissioner