

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED TARIFF OF SOUTH CENTRAL )  
BELL TELEPHONE COMPANY FOR OPEN )  
NETWORK ARCHITECTURE FEATURE IN THE ) CASE NO. 91-072  
GENERAL SUBSCRIBER SERVICES TARIFF )

O R D E R

Introduction

On December 19, 1990, South Central Bell Telephone Company ("South Central Bell") made a tariff filing to introduce service options associated with open network architecture, which affects the availability and provision of enhanced services. The tariff filing was scheduled to be effective on January 18, 1991. However, on January 16, 1991, South Central Bell agreed to extend the effective date to February 18, 1991 and on February 15, 1991 agreed to extend the effective date to March 6, 1991. On March 5, 1991, the tariff filing was approved on an interim basis pending further investigation, except the proposed exchange access premium charge. Application of the exchange access premium charge to enhanced services providers was suspended through August 5, 1991.

On January 17, 1991, AT&T Communications of the South Central States, Inc. ("AT&T") filed a motion for full intervention. Subsequently, on February 25, 1991, AT&T filed a motion to withdraw its motion for full intervention. The latter motion was granted on March 5, 1991. On April 9, 1991, MCI

Telecommunications Corporation ("MCI") filed a motion for full intervention. The motion was granted on April 11, 1991.

On July 9, 1991, the Commission entered a decision allowing South Central Bell and MCI time to request a public hearing and specify any issues to be addressed at a public hearing. Also, the Commission advised the parties that, absent a request for a public hearing, the matter would be submitted for final decision. On July 19, 1991, MCI filed a response to the Commission's decision and agreed to waive a public hearing provided the Commission determined that no rate discrimination exists vis-a-vis South Central Bell, other common carriers, and enhanced services providers. Also, MCI recommended that the Commission convene a generic docket on cost methodology. On July 24, 1991, South Central Bell filed a response to MCI's comments, stating that no rate discrimination exists and opposing a generic inquiry into cost methodology in this case. South Central Bell did not request a public hearing.

All information requested by the Commission and the parties has been filed.

#### Discussion

The tariff filing introduces service options associated with open network architecture, including:

1. Exchange Access Premium Charge. This charge applies to customers who subscribe to service options typically associated with high network usage, including uniform access number and associated services (automatic number identification, custom service area, and call detail information), multiline hunt

queuing, simplified message desk interface, and surrogate client number service. It applies in addition to other applicable charges for flat, message, or measured rate exchange access.

2. Trunk Side Access Facility. This service option provides a customer with network access through trunk side connections at central offices where operator service control functions reside and allows only for the termination of incoming calls. It is required for the provision of automatic number identification and uniform access number services.

3. Uniform Access Number. This service option provides a customer with a seven digit number that clients can use to access the customer's service in specified local calling areas or local access and transport areas. It is required for the provision of automatic number identification, custom service area, and call detail information.

4. Automatic Number Identification. This service option provides a customer with a client's telephone number when a call is established to the customer's service.

5. Custom Service Area. This service option allows a customer to limit market coverage by blocking calls from specified central offices in a local calling area or local access and transport area.

6. Call Detail Information. This service option provides a customer with message detail concerning client calls, including the calling telephone number, the uniform access number, date, time-of-day, and call duration.

7. Simplified Message Desk Interface. This service option provides an interface to a customer-provided message system. Call-related information is passed to the customer's message system through a data channel from the serving central office to the customer's premises. Call information includes the originating telephone number (intra-office only), called telephone number, and the reason for forwarding the call (busy or don't answer).

8. Message Waiting Indiction - Audible. This service option allows end-users to receive a message indication on their telephone lines (intra-office only). The simplified message desk interface is used to activate or deactivate an audible alerting signal (stutter dial tone) to notify the end-user that a message is waiting.

9. Surrogate Client Number. This service option allows customers of an enhanced services provider to have a "presence" in the enhanced services provider's serving central office through a "virtual" telephone number, from which calls will be forwarded to the enhanced services provider. The surrogate client number will allow an enhanced services provider to identify the "calling number" of customers in central offices where there is insufficient demand to justify other serving arrangements.

10. Multiline Hunt Queuing. This service option provides the capability to automatically queue calls in a multiline hunt group when all lines in the group are busy. As lines in the hunt group become available, calls are distributed from the queue. This service option allows for the queuing and distribution

functions normally performed by customer premises equipment to be performed in the serving central office.

11. Faster Signaling on Direct-Inward-Dialing. This service option provides customers with additional signaling alternatives that will allow more efficient use of direct-inward-dialing trunks.

Except for the exchange access premium charge, the service options proposed in the tariff filing have been identified by the enhanced services industry through the open network architecture process as network features important to the availability and efficient provision of enhanced services such as voice messaging, protocol conversion, credit card verification, and data gateways. The open network architecture process has been ongoing for several years and involves telecommunications carriers, enhanced services providers, various trade groups, and federal and state regulators. Through this process, network features useful to enhanced services providers have been identified and made available under tariff. The process, however, is not complete and additional tariff filings can be expected in the future. The Commission will evaluate these future tariff filings on a case-by-case basis rather than attempt to develop a comprehensive open network architecture tariff at this time.

Except for the exchange access premium charge, all proposed rates cover directly assigned cost. Also, except for the monthly rate for simplified message desk interface, all proposed rates cover fully assigned cost. The proposed monthly rate for simplified message desk interface covers directly assigned cost

and approximates fully assigned cost. Demand for simplified message desk interface is not expected to produce a significant revenue stream over the planning period used in this tariff filing.

Except for the exchange access premium charge, the Commission finds that the rates and terms and conditions proposed in the tariff filing are reasonable, and should be approved on a permanent basis.

The exchange access premium charge is priced at approximately 25 percent of the average statewide rate for a private branch exchange trunk. It is not cost based. As proposed, it is applicable to service options associated with high network usage and in addition to other charges for exchange access. In effect, it is a network access surcharge. However, South Central Bell has not demonstrated that the increased usage associated with these service options will result in exhaustion of switching capacity or any additional network investment.

The imposition of any unreasonable or unnecessary charges will only serve to stifle development of the enhanced services market. Therefore, the proposed exchange access premium charge should be denied.

Finally, the Commission finds that MCI's concern about unfair rate discrimination is unfounded, as the rates contained in the tariff filing apply equally to all enhanced services providers irrespective of corporate affiliation.

The Commission, having considered the matter and being sufficiently advised, HEREBY ORDERS that:

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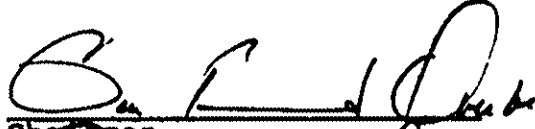
1. South Central Bell's tariff filing to introduce service options associated with open network architecture is approved on a permanent basis effective August 5, 1991, except as otherwise ordered.

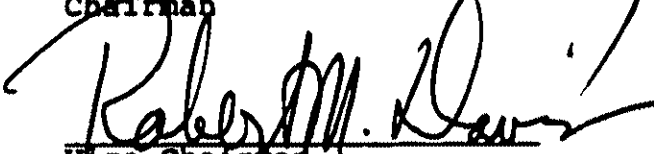
2. South Central Bell's proposed exchange access premium charge is denied.

3. South Central Bell shall file revised tariff pages consistent with this decision on or before September 5, 1991.

Done at Frankfort, Kentucky, this 5th day of August, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

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Commissioner

ATTEST:

  
\_\_\_\_\_  
Executive Director