

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BELLSOUTH TELECOMMUNICATIONS, )  
INC., D/B/A SOUTH CENTRAL BELL ) CASE NO.  
TELEPHONE COMPANY FOR EXEMPTION OF ITS ) 92-354  
TELEMESSAGING SERVICES FROM REGULATION )

O R D E R

IT IS ORDERED that BellSouth Telecommunications, Inc., d/b/a South Central Bell Telephone Company ("South Central Bell") shall file the original and 12 copies of the following information with the Commission within 30 days from the date of this Order, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If the information cannot

be provided by the stated date, South Central Bell should submit a motion for an extension of time stating the reason a delay is necessary and a date by which the information will be furnished. Such a motion will be considered by the Commission.

1. For the MemoryCall<sup>tm</sup> service:

a. Explain whether or not MemoryCall<sup>tm</sup> may be purchased as a "stand-alone" service, without the customer being required to purchase service features other than those required for a dial tone.

b. If so, separately describe each of the service features that are embodied in MemoryCall<sup>tm</sup> and which are tariffed.

c. If not, separately describe each of the service features which must be purchased first by the customer and which are tariffed.

2. Itemize the price that will be paid by the customer for each of the service features embodied in MemoryCall<sup>tm</sup> for the residential and business markets. Be sure to include the profit mark-up or contribution as a separate item for each service feature.

3. For the residential and business markets:

a. Provide a listing of all common carriers offering central office based services in South Central Bell's territory which are functionally equivalent to MemoryCall<sup>tm</sup>.

b. For those carriers offering a service which is functionally equivalent to MemoryCall<sup>tm</sup> and who must purchase a service or services from South Central Bell in order to be able to

offer their competing service, provide a list of all carriers, which services must be purchased, and respective prices.

4. Define the market in which MemoryCall<sup>tm</sup> operates (i.e. perfect competition, monopolistic competition, oligopoly, or some variant):

- a. for the residential market;
- b. for the business market;

5. For the residential and business markets in which MemoryCall<sup>tm</sup> competes, are there functionally equivalent services which may be considered poor substitutes because of the service option capabilities inherent in MemoryCall<sup>tm</sup>? If so, what are these services?

6. In oligopolistic markets it is possible for firms to collectively exercise market power in a variety of ways to the detriment of consumers. Explain why this would or would not happen in Kentucky in the business market and in the residential market.

7. On page 5 of the application South Central Bell states, "Specifically, in order to provide telemessaging services, MemoryCall<sup>tm</sup> service must subscribe to a number of tariffed services: Exchange Access Lines, Multi-Line Hunt Groups, SMDI, Private Lines, User Transfer and TouchTone". Why is MemoryCall<sup>tm</sup> tied to tariffed services? Describe and justify the need for tying MemoryCall<sup>tm</sup> to each of the following:

- a. Exchange Access Lines
- b. Multi-line Hunt Groups
- c. SMDI

- d. Private Lines
- e. User Transfer
- f. TouchTone

8. Must these tariffed services be purchased in order for MemoryCall<sup>tm</sup> to function or could a subscriber order MemoryCall<sup>tm</sup> without those services?

9. Why isn't MemoryCall<sup>tm</sup> priced as a package including all necessary services?

10. Can any competitor functionally provide Exchange Access Lines, Multi-Line Hunt Groups, SMDI, Private Lines, User Transfer, or TouchTone individually in South Central Bell's territory?

a. If so, at what rates compared to South Central Bell's rate?

b. If not, then must the competitor provide these services in a MemoryCall<sup>tm</sup> competing bundled package service? If so, then explain why South Central Bell should be allowed to compete when not all of South Central Bell's costs are treated equally in the total MemoryCall<sup>tm</sup> price?

11. For services that competitors must purchase from South Central Bell, are the prices of these services identical to the prices residential and business customers must pay? For example, is South Central Bell imputing the cost of these services? Explain.

12. Regarding pages 5 and 8 of the application, on page 5, South Central Bell states,

"Specifically, in order to provide telemessaging services, MemoryCall<sup>tm</sup> service must subscribe to a number of tariffed services. . . ."

While on page 8 South Central Bell states,

"Also, none of the investment or expenses involved in the provision of MemoryCall<sup>tm</sup> service are part of the regulated rate base."

a. Reconcile these statements.

b. More specifically concerning the statement on page 8, does South Central Bell include any of the investments or expenses of the tariffed services "below the line"? If so, provide specific detailed amounts.

c. Explain explicitly how the revenues derived from the tariffed and untariffed services are treated.

13. Provide a detailed sketch indicating the network routing of calls during a MemoryCall<sup>tm</sup> service transaction on both an intra- and interstate basis (i.e. provide a diagram depicting the interconnection of the voice messaging service ("VMS") equipment with the network in both situations).

14. Identify and describe the additional services required for the provision of a functionally identical VMS by a competitor (e.g. call forwarding-no answer, call forwarding-busy line, or any other essential services). Are these features individually tariffed for purchase by competitive VMS providers? If so, indicate their respective tariffed rates.

15. Describe the limitations that impede the ability of the network to provide origination-termination information with regard to intra- and interstate access for MemoryCall<sup>tm</sup>.

16. Identify the physical location of the VMS equipment required for the provision of MemoryCall<sup>tm</sup> (i.e. Will the equipment be collocated with the central office or maintained at

an external location). Are other VMS providers allowed access and use of this equipment? If so, at what tariffed rates?

17. Will the implementation of Open Network Architecture affect the provisioning of VMSs by competitors? Explain thoroughly.

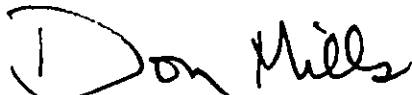
Done at Frankfort, Kentucky, this 6th day of October, 1992.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:



Executive Director