

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE APPLICATION OF BUSINESS TELECOM, INC. |) | |
| D/B/A BTI FOR A CERTIFICATE OF PUBLIC |) | CASE NO. |
| CONVENIENCE AND NECESSITY TO PROVIDE RESOLD |) | 92-367 |
| INTRASTATE TELECOMMUNICATIONS SERVICE |) | |

O R D E R

On August 21, 1992, Business Telecom, Inc. ("Business Telecom") filed its application with the Public Service Commission seeking a Certificate of Public Convenience and Necessity to provide intrastate, long-distance telecommunications services as a reseller within the Commonwealth of Kentucky.

Business Telecom is a North Carolina corporation proposing to resell long-distance services from carriers certified to provide telecommunications services within the Commonwealth of Kentucky. Business Telecom will be a switchless reseller neither owning nor leasing any facilities within Kentucky. Business Telecom will provide operator-assisted telecommunications services, consistent with each of the items enumerated in Appendix A, attached hereto and incorporated herein.

The application provided by Business Telecom demonstrates its financial, managerial, and technical capability. The rates proposed, except those for operator services, should be approved as the fair, just and reasonable rates to be charged. The rates proposed for operator services should be denied because they exceed AT&T's rates for operator services.

The Commission, having considered the application, the information provided by Business Telecom, and being otherwise sufficiently advised, HEREBY ORDERS that:

1. Business Telecom be and it hereby is granted authority to provide interstate, long-distance telecommunications service as a reseller within the Commonwealth of Kentucky.

2. Business Telecom shall comply with the provisions of the Orders in Administrative Case No. 323.¹

3. Business Telecom's authority to provide service in this Commonwealth is strictly limited to those services described in this Order and Business Telecom's application.

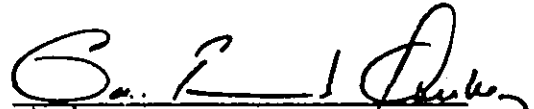
4. The rates and charges proposed by Business Telecom are hereby approved except for those for operator services which are hereby denied because the rates exceed the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls.

5. Within 30 days from the date of this Order, Business Telecom shall refile its tariff sheets in accordance with 807 KAR 5:011 to conform to the restrictions and conditions of service contained in Appendix A, including rates for operator services which do not exceed AT&T's rates for operator services.

¹ Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA calls by Interexchange Carriers, and WATS Jurisdictionality, Phase 1, Order Dated May 6, 1991.

Done at Frankfort, Kentucky, this 8th day of December, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-367 DATED December 8, 1992

Conditions of Service for the Provision of Operator Services Adopted from Commission Orders in Administrative Case No. 330, Orders Dated March 27, 1991 and May 3, 1991.

(1) Operator-assisted services shall be subject to rate regulation and rates shall not exceed AT&T Communications of the South Central States, Inc.'s (AT&) maximum approved rates. "Maximum approved rates" is defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Carriers are not permitted to include any other surcharges or to bill for uncompleted calls. Time-of-day discounts shall also be applicable. Carriers are also required to rate calls using the same basis that AT&T uses to rate calls, i.e., distance calculations based on points-of-call origination and termination, definitions of chargeable times, billing unit increments, rounding of fractional units, and minimum usages. When there is any change in AT&T's maximum approved rates, carriers shall file tariffs if necessary to comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

(2) Except as otherwise indicated in this Order, non-dominant carriers shall be subject to regulation as delineated in the May 25, 1984 Order in Administrative Case No. 273 as well as any subsequent modifications to non-dominant carrier regulations. In the event of

conflict, the terms of the instant Order shall take precedence, unless a carrier is specifically relieved from compliance with any conditions contained herein. AT&T shall remain subject to regulatory oversight as a dominant carrier.

(3) Operator service providers that provide service to traffic aggregators shall not allow access to the operator services of competing carriers to be blocked or intercepted. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(4) Traffic aggregator is defined to mean any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises for intrastate telephone calls using a provider of operator services. Aggregators include hotels and motels, hospitals, universities, airports, gas stations, and non-local exchange carrier pay telephone owners. This definition includes the provisions of all non-local exchange carrier pay telephones even if no compensation is paid to the owner of the pay telephone. The residential use of operator services is specifically excluded from this definition.

(5) Access to the local exchange carriers' operators shall not be blocked or otherwise intercepted by traffic aggregators. Specifically, all "0-" calls, that is, when an end-user dials zero without any following digits, shall be directed to the local exchange carrier operators. In equal access areas, "0+" intraLATA

calls, that is, when an end-user dials zero and then dials the digits of the called telephone number, shall not be intercepted or blocked. In non-equal access areas, it is prohibited to block or intercept "0-" calls; however, it is permissible to intercept "0+" calls. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(6) Carriers shall not be required to provide access codes of competitors. Each carrier should advise its own customers as to the appropriate 10XXX access code.

(7) Carriers shall provide tent cards and stickers to traffic aggregators to be placed near or on telephone equipment used to access their services and shall include provisions in tariffs and contracts entered into with any traffic aggregator that subject violators to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(8) Operators shall identify the carrier at least once during every call before any charges are incurred.

(9) Operators shall provide an indication of the carrier's rates to any caller upon request.

(10) Carriers shall not accept calling cards for billing purposes if they are unable to validate the card.