

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF TMC OF LEXINGTON TO)
DECREASE CERTAIN RATES AND ESTABLISH NEW) CASE NO. 92-436
SERVICE OFFERINGS)

O R D E R

On September 17, 1992, TMC of Lexington ("TMC") filed revisions to its tariff to decrease the rates of TMC Standard Long Distance Service and to establish several services including TMC Long Distance Service, TMC Plus Service, TMC Extra WATS 15 Service and TMC Extra WATS 25 Service. During a telephonic conference held between TMC and Staff, three issues were addressed.

First, TMC's proposed tariff stated that its rates were 20 percent less than those of GTE South Incorporated ("GTE"). Because TMC rates may not always remain 20 percent less than GTE's, TMC was requested to remove this language from its tariff. Second, the proposed tariff referred to TMC's rates as Direct Dial 1+. TMC was requested to omit this reference in its proposed tariff. IntraLATA calls carried by TMC are dialed utilizing a 10XXX code or an autodialer. Only local exchange carriers may carry 1+ intraLATA traffic at this time. In its modified proposed tariff filed December 16, 1992, TMC has omitted these references.

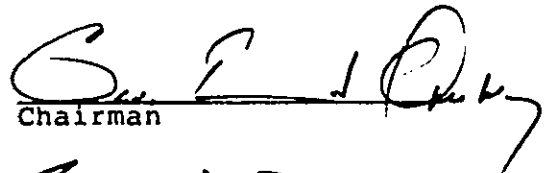
Third, TMC's proposed tariff contains intraLATA rates and interLATA rates that are different. TMC requests that the Commission accept these differing rates though the Commission has

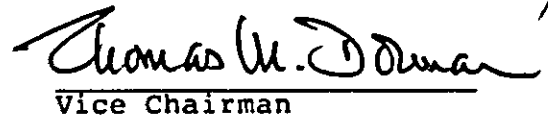
had a policy requiring rate schedules to be averaged. TMC is competing against AT&T Communications of the South Central States and other interLATA carriers on a statewide basis and competing against South Central Bell Telephone Company and GTE only in the intraLATA market. Though TMC does not deny that its rates are based on statewide costs, it nevertheless seeks to deaverage them in order to be competitive. Accordingly, LATA-specific rates based on competition are reasonable and the tariff should be approved.

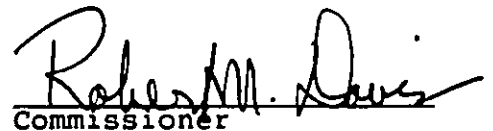
The Commission, having been otherwise sufficiently advised, HEREBY ORDERS that TMC's proposed tariff sheets filed September 17, 1992 and revised December 16, 1992 are approved.

Done at Frankfort, Kentucky, this 16th day of March, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director