

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PROPOSED TARIFF OF SOUTH CENTRAL BELL)
TELEPHONE COMPANY FOR PROPOSED AREA) CASE NO. 93-114
CALLING SERVICE EXPANSION)

O R D E R

On March 6, 1993, BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company ("South Central Bell") filed a proposed tariff to expand its Area Calling Service ("ACS") to 43 additional exchanges and extend the calling area for 7 current Area Calling Service exchanges. This proposed tariff is the second phase of an initial tariff which was approved by the Commission on April 9, 1992 in Case No. 91-250.¹ The Commission had contemplated that South Central Bell would be making additional ACS filings.

The ACS tariff contains two options. The standard ACS allows customers to call anywhere in the designated calling area (the existing local calling area plus the extended calling area) at usage-based rates priced substantially below current toll rates. These customers will also pay a flat rate access charge. The Premium Calling Usage service enables customers to call any location in their full local calling area on a flat rate basis. The full local calling area consists of the existing local calling area plus the extended calling area. Any customer not selecting

¹ Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff.

the standard or premium ACS option will maintain their current flat rate service in the existing local calling area. Calls to the extended calling area will be charged usage rates equal to those in the toll tariff for comparable distances. South Central Bell's proposed tariff contains rates and conditions of service identical to the initial ACS tariff approved by the Commission.

MCI filed a motion to intervene in this expanded ACS tariff proposal on April 22, 1993. In support of its motion, MCI states that its interests may be affected by the expansion of local calling areas which could reduce the volume of intraLATA calls and thus potentially cause MCI a loss of revenue. MCI argues also that it is not apparent from the tariff proposal that South Central Bell has complied with the Commission's policy regarding the expansion of local calling areas. Similar motions were filed by AT&T Communications of the South Central States, Inc. and LDDS of Kentucky, Inc. which were subsequently withdrawn.

On June 7, 1993, South Central Bell filed its response to MCI's motion to intervene. South Central Bell contends that the mere fact that the expansion of ACS may impact toll competition is not a sufficient basis to reject the tariff, because the Commission resolved that issue in the initial ACS proceeding. In that proceeding, the Commission recognized the impact on toll competition but determined that that must be balanced against the community of interest considerations. As evidence of this, South Central Bell cites the Commission's modification of its original proposal to require that ACS be optional and that "10XXX" dialing

competition be authorized for all calls except the current local service. According to South Central Bell, the only issue in this proceeding is whether ACS should be extended to 43 additional exchanges and expanded for 7 others. Finally, South Central Bell asserts that any delay in approving this tariff will prevent communities from having local calling options which meet their local needs.

The Commission's standard of review for motions to intervene is found in 807 KAR 5:001, Section 3(8):

If the commission determines that a person has a special interest in the proceeding which is not otherwise adequately represented or that full intervention by party is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings, such person shall be granted full intervention.

Having reviewed the proposed tariff, MCI's motion to intervene, and South Central Bell's response, the Commission finds that MCI's motion to intervene should be denied. MCI has not met standards established in the Commission regulation for intervention. Because this tariff proposal raises no issues that have not been addressed by the Commission in the initial ACS filing, MCI has no special interest that has not been adequately represented in this proceeding. In fact, in the initial Order for ACS, the Commission allowed interexchange carriers to compete in the extended calling area. Thus, MCI's participation in the initial ACS filing directly affected that outcome. MCI's intervention will not present issues or develop facts for the

Commission in this filing. The Commission fully developed the facts and fully considered all matters in South Central Bell's initial ACS filing, after a public hearing in which MCI participated. Moreover, MCI's participation in this expanded ACS proceeding would unduly complicate and disrupt the delivery of ACS to additional telephone exchanges, thus stalling the delivery of ACS to many Kentuckians to meet their local calling needs.

On April 22, 1993, many persons residing in Henry County, Kentucky, filed a letter through counsel requesting full intervention in this expanded ACS filing. Because these persons' interests are being adequately represented and these persons are not likely to present issues or develop facts that will assist the Commission without disrupting this proceeding, this motion for full intervention is also denied.

The Commission finds that South Central Bell's tariff proposal filed with the Commission on March 22, 1993 for expanded ACS should be approved as of the date of this Order.

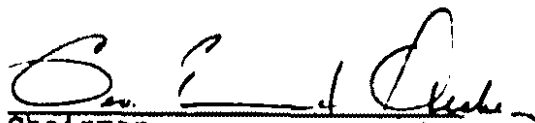
The Commission, having been otherwise sufficiently advised, HEREBY ORDERS that:

1. South Central Bell's tariff proposal for expanded ACS, affecting 50 telephone exchanges, is approved.
2. MCI's motion for intervention is denied.
3. The request for intervention by many residents of Henry County is denied.
4. South Central Bell shall gather 12 months of Kentucky specific data for this expanded ACS as necessary to demonstrate the


reasonableness and accuracy of the model forecast and calling option prices. South Central Bell shall file this information with the Commission, within 15 months of the date of this Order, and submit any proposed changes to the ACS rates.

Done at Frankfort, Kentucky, this 11th day of June, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director